

**REDUCING
RED TAPE
FOR BUSINESS
IN SA**

2006 - 2008



**Government
of South Australia**

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MESSAGE FROM THE DEPUTY PREMIER

The Rann Labor Government has never shied away from a challenge.

When the State's peak employer body Business SA called for a 25 per cent reduction in government red tape, our response was immediate.

We set a target of two years to identify a \$150 million reduction in regulatory compliance costs to business. The goal was achieved on time in July this year.

Indeed, an independent assessment by Deloitte Australia shows we exceeded that figure by \$20 million and that other initiatives will add even greater savings.

The Competitiveness Council, which I chair, was established to oversee the task and we embarked on an exhaustive process that involved a two-pronged approach.

The red tape burden on seven key industries was reviewed while 16 government agencies developed and implemented their own reforms.

Their mission was to uncover any non-essential paperwork, rule, regulation or licence that was an unnecessary imposition on business. We wanted to streamline our processes so that dealing with the South Australian Government is beneficial and not a hindrance.

Cutting the compliance burden while maintaining the integrity of the regulatory system saves business time and money and makes our State more competitive.

The reason we embraced this red tape challenge so wholeheartedly is that it supports our goal of making South Australia the most competitive business environment in Australia and New Zealand.

We have already embarked on other red tape initiatives, including a Planning and Development Review that is expected to deliver further significant red tape savings.

Achieving the \$150 million target is just the start.



Hon Kevin Foley MP
Deputy Premier
Treasurer
Minister for Industry and Trade
Minister for Federal/State Relations

FOREWORD

Governments introduce regulations for all the right reasons. They need rules and regulations to govern.

But over time certain processes become redundant or even start working against the system they are meant to support.

Identifying excessive bureaucratic rules, outdated legislation and unnecessary paperwork has been a major focus of the Competitiveness Council since it was established in 2006.

A sub-committee of the Economic Development Board, the Council has overseen the most extensive red tape reduction program that this State has ever undertaken.

The Council consists of business leaders, economic specialists and policymakers, a membership base that has enabled us to effectively tackle the problem from two key perspectives: those responsible for administering red tape and those on the receiving end.

We asked seven industries critical to the prosperity of South Australia to identify where they wanted changes made and instructed every Government agency to overhaul their systems and implement reform.

Slicing through red tape is beneficial for everyone. It not only leads to a more competitive business environment but to a leaner more efficient bureaucracy.

The compliance burden on business is reduced, freeing it to focus on achieving success in the national and international marketplace.

Equally important, a business environment that is not weighed down by excessive red tape becomes a more attractive investment option.

Surpassing the \$150 million reduction target within the two-year timeframe is an outstanding outcome. It's the result of an effective partnership between industry and government to create a more competitive South Australia.

David Simmons

Chair of the Economic Development Board
Member of the Competitiveness Council
For the period July 2006 to June 2008

OVERVIEW OF THE SOUTH AUSTRALIAN RED TAPE REDUCTION PROGRAM

Two-pronged strategy streamlines compliance

The program to cut government red tape in South Australia has been painstaking and far-reaching.

A \$150 million reduction in red tape was an ambitious target that required rigorous analysis of current processes and the implementation of effective alternatives.

To achieve this in the two-year timeframe, the Competitiveness Council adopted an approach that drew on the experience of leaders in both Government and business.

A series of seven industry reviews were convened by John Rau, MP, and overseen by a reference group that included a representative of the Competitiveness Council or Small Business Development Council.

It was a rigorous process with input from numerous industry associations and business owners and managers to ensure that no regulatory issues were overlooked.

At the same time, all 16 State Government agencies were given the responsibility of identifying red tape within their own departments. This process was led by senior executive champions who made sure the program was given high priority.

The task was all-encompassing: identify any non-essential Government procedures, processes, forms, licences and regulations that add to the cost of running a business.

This two-pronged approach resulted in the red tape burden to business being cut by more than \$170 million per annum even after accounting for the impact of new regulations which imposed an estimated \$3.3 million in new regulatory costs on business (see *Deloitte report page 5*).

What is red tape?

A broad definition of red tape has been adopted by the South Australian Government in tackling the regulatory burden faced by business.

Instead of simply focusing on paperwork and administrative procedures – the approach taken in Victoria and European communities – the Government has targeted all business compliance costs as outlined by the Productivity Commission.

This definition reflects more accurately how business views red tape in Government and includes:

- Paperwork compliance – the costs imposed on business through form-filling and providing information.
- Non-paperwork compliance, such as human capital investment (staff training and education), physical investment (re-configuration of plant and equipment) or ‘capital holding’ costs associated with regulation-induced delays in business projects.
- Government fees and charges, including permit and licence fees that are intended to recover the cost of administering regulations. (This category does not include taxes and levies.)

The Competitiveness Council also provided the following definition of red tape when developing its reduction strategy:

The time and money spent by businesses to understand and comply with government regulations, and related processes, and that are above and beyond the daily costs of running a business.

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LOOKING BEYOND RED TAPE

Schemes to reduce red tape are part of a broader plan by the State Government to create a highly competitive environment for business in South Australia.

Several other major initiatives have been introduced to reduce the regulatory and cost burden on business well beyond the \$170 million initial savings arising from red tape reduction.

They include far-reaching changes to the State's planning and development system, an overhaul of the WorkCover scheme and significant cuts in payroll tax.

KPMG estimates that changes recommended by the Planning and Development Review Steering Committee and endorsed by the South Australian Government, will boost gross state product by as much as \$5 billion over five years.

Reforms resulting from the 12-month review are expected to deliver annual cuts in red tape of \$76 million to applicants and local government, and additional savings to the housing sector of \$62 million from reducing "stop-the-clock" delays.

The changes are designed to promote more housing and community development along key transport corridors, while making it more affordable and environmentally sustainable. The average approval time for new housing will be cut from 17 weeks to less than 30 days with savings to homeowners of up to \$5000.

Restructuring the WorkCover scheme has also been identified by the State Government as an integral component in its strategy to create a more competitive business environment.

A wide-ranging review by workers compensation experts Alan Clayton and John Walsh has resulted in a reform package designed to ease the cost burden on employers while encouraging rehabilitated employees back to work sooner.

The State Government has moved quickly to amend the WorkCover legislation with various changes directly benefiting business. Key initiatives include:

- Removing the WorkCover levy requirement for about 16,000 micro employers.
- Encouraging skills development by excluding wages paid to apprentices and trainees from the calculation of the WorkCover levy.

Anticipated cost savings should deliver lower WorkCover levy rates and a fully-funded scheme within six to seven years.

Reductions in payroll tax continue to be a priority of the Government in making South Australia a more attractive option for business. Relief totalling nearly \$600 million over five years is anticipated following a cut in the payroll tax rate from 5 per cent to 4.95 per cent from July 2009, consecutive increases in the payroll tax threshold to \$600,000 and payroll tax harmonisation reforms.

Over 6500 businesses employing 380,000 South Australians benefit from the changes, including about 300 businesses which will no longer be liable for the tax when the threshold increases to \$600,000 from July 2009.

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INDEPENDENT AUDIT OF RED TAPE SAVINGS

Cost savings to business arising from the red tape reduction program were independently assessed and verified by professional services firm Deloitte.

The internal audit involved working with all 16 State Government agencies to assess initiatives identified as creating annual savings to business of more than \$100,000.

Deloitte was given two roles by the Department of Trade and Economic Development to ensure the effectiveness of the program:

- A review of guidelines to assist agencies in cutting red tape and measuring cost savings, completed in August 2007.
- Reviews of agency progress reports in July 2007, January 2008 and July 2008.

Deloitte liaised closely with each agency and assessed their initiatives for conceptual validity, and checked all calculations and supporting information used for costing the savings.

In calculating the total annual savings, Deloitte included initiatives fully implemented by 30 June 2008, plus those partially in place and identified as being fully operational by 30 June 2009. Many red tape reduction schemes missed the July 2008 timeframe because they either involve legislative changes or long-term planning.

The audit estimated completed initiatives will generate annual savings of \$112.7 million, while those partially implemented will add another \$60.7 million, for total gross savings of \$173.4 million. Deloitte estimates total net savings of \$170.1 million after the removal of \$3.3 million in costs associated with implementing new regulations (*refer to Appendix 2 of the Deloitte Report*).

Initiatives still in the planning stage but expected to be in place by July 2009 will create additional savings of \$456,000.

The Deloitte report also listed several other significant savings for business from initiatives originating from the red tape reduction program, but not falling within the strict guidelines for inclusion.

These include \$34 million from initiatives involving the construction industry, workplace safety, land data base reports, removing the Santos share cap, barley exports and environmental licence fees (*refer to Appendix 3 of the Deloitte Report*).

Employers will also directly benefit from major savings flowing from three other State Government programs that have yet to be fully costed:

- WorkCover review and legislative changes.
- Planning and Development Review estimated to result in savings to commercial developers of nearly \$50 million.
- SafeWork SA Business Efficiency Committee which is streamlining occupational health and safety regulations.

It is our observation that agencies have taken a very serious approach to this task and some have engaged outside assistance in identifying and valuing savings. Initiatives undertaken include a wide range of activities such as on-line applications for customer service, legislative simplification and removal of outdated regulatory requirements.

**Internal Audit Report
Red Tape Reduction
Deloitte**

See Appendix 1 for the full Deloitte report.

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INDUSTRY REVIEWS

Listening to industry and responding to its issues was a primary focus of the red tape reduction program.

A series of industry reviews was conducted by the Competitiveness Council to identify areas of concern and to find better ways for government agencies to regulate and interact with business.

Seven industries were involved in the review process:

- Cafés and restaurants
- Building construction
- Heavy vehicle road transport
- Wine grape growing and wine manufacturing
- Metal manufacturing
- Motor vehicle retailing and services
- Fishing and aquaculture

John Rau MP, Member for Enfield, was appointed as convener of the industry reviews.

Industries were selected on the basis of submissions from industry (wine grape growing and wine manufacturing, and metal manufacturing), size of the industry, numbers employed, strategic importance and known compliance costs.

The Competitiveness Council took submissions and held interviews with representatives from each sector, including industry associations, business owners and managers, and trade unions.

The aim was to obtain a balanced picture of red tape issues confronting business at all levels, from small independent operators to industry leaders.

Extensive desk-based research was also conducted into the various Government regulations covering each industry and the relevant government agencies were consulted.

Possible solutions were then assessed that would meet the objectives of industry without impacting on any social, environmental or economic objectives associated with the regulations.

Issues arising from the consultation process were considered by reference groups, including industry associations and the peak employers' body, Business SA, which made recommendations to Government.

Some issues raised during the reviews were common across all industries and are outlined under agency case studies in this report. Copies of the industry reviews can be found on the Competitiveness Council website www.competitivesa.biz

4.1 Cafés and Restaurants

Sector snapshot

There are about 950 cafés, restaurants and catering businesses in South Australia employing more than 13,500 people. Nearly two-thirds of businesses in the sector employ fewer than 10 people, and more than three-quarters employ fewer than 20 people.

Review findings

Two major issues were identified:

- A lack of readily accessible and clear information for businesses on a range of issues.
- Objections, by some, to the cost of taxes and licences.

The following issues were raised by the vast majority of businesses:

- Liquor licensing.
- Government interface.
- OH&S requirements.
- Payroll tax.
- Workers' compensation.

With the exception of liquor licensing, none of these regulatory issues are unique to the cafés and restaurant industry.

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INDUSTRY REVIEWS

4.1 The following issues were mentioned by less than half of the businesses interviewed:

- Trade waste discharge.
- Technology and its application to minimising red tape.
- Paperwork associated with apprenticeships/traineeships.

Many voiced concerns about their dealings with Local Government and the South Australian planning system.

Key outcomes

- Simplification and reduction in the number of forms and licenses associated with establishing and operating a café or restaurant.
- The production of a *Step-by-Step Guide to Starting a Restaurant, Café and Take-away Business* which has been developed by the Department of Trade and Economic Development in partnership with the industry.

4.2 Heavy Vehicle Road Transport

Sector snapshot

Heavy vehicle operations include general access vehicles (e.g. semi-trailers), restricted access vehicles (e.g. B-doubles and road trains), controlled access buses, and special purpose vehicles (e.g. front end loaders, mobile cranes and grain harvesting machinery).

Road freight transport in South Australia is growing at an annual rate of almost four per cent. About 22,000 people are currently employed full-time in the transport and storage sector across the State.

Review findings

Compliance with various industry regulations was an issue raised regularly during the red tape review into the heavy vehicle road transport industry.

The sector complained of excessive and repetitive paperwork from State Government departments and

local councils that was time-consuming and expensive to manage. Many concerns related to permits and the gazetting of routes, including:

- The process of obtaining permits and clearances and poor turnaround time.
- Truck drivers are required to carry too many permits.
- Different forms for the same legal requirements across jurisdictions.
- Permit renewal notices are not provided.
- Local councils can impede the process of gazetting roads.
- Updates for route maps are not issued often enough.

Other issues raised by the sector included:

- B-triple routes should be expanded.
- Too many vehicle inspections and delays in carrying them out.
- The government website is difficult to navigate.
- Lack of heavy vehicle knowledge among customer service officers in regional areas.

Key outcomes

- A review of all permit requirements in 2008/2009.
- Updated systems and processes, including online application and payment of permits.
- The gazetting of Restricted Access Vehicle routes to replace permits and the introduction of electronic maps.
- Improvements to inconsistencies in speed limits for various heavy vehicles, and more flexibility in relation to restrictions on indivisible loads and tri-axle dollies.
- Identified SA priorities for reforms that will improve productivity for possible inclusion on the national regulatory reform agenda.
- Relaxation of travel restrictions on cranes and low loaders.

4.3 Motor Vehicle Retailing and Services

Sector snapshot

There are just over 5000 businesses in the motor vehicle retailing and services industry and 96 per cent of them employ less than 20 people. The sector is divided into two main categories: retail, including car dealers and dismantlers, and service providers such as repairers, car rental firms and service stations. Annual turnover is more than \$8 billion.

Review findings

Many issues raised through the review process were caused by a perceived lack of Government information.

Business owners lack knowledge and understanding of the assistance that can be provided by Government and where to access the information.

Licences relevant to the industry are administered by a number of agencies and businesses complained it was time-consuming to identify which was applicable.

Various other issues were raised during the review:

- A substantial number of vehicle purchases are not officially recorded by buyers, which creates problems for dealers who have to process their traffic infringement notices.
- Vehicle inspections can be time-consuming and expensive to conduct.
- Notifying the Registrar of Motor Vehicles of a written-off vehicle involves extensive manual record-keeping and the forms are open to interpretation.
- The licence renewal process for tow truck operators is complicated and the relevance of requested data is not clear.
- Businesses sometimes receive inconsistent advice from agency staff.

- Dealing with the Petroleum Products Retail Outlets Board can be expensive and takes too much time.
- There is uncertainty about when trade plates can be used and too much paperwork in obtaining permit.

Key outcomes

- Development of an integrated online system for administering State Government licences and permits with Service SA the one-stop contact point in the interim.
- The online EzyReg system to be redeveloped and expanded to include a wider range of transactions.
- Legislative changes to prevent dealers receiving expiation notices intended for their customers.
- Simplified licence renewal for tow truck operators plus an online option.
- The Government to abolish the Petroleum Products Retail Outlet Board, making it easier to establish new petrol retail outlets.
- Licence payment every two years compared with annually and streamlined process for new applications

4.4 Fishing and Aquaculture

Sector snapshot

Fishing and aquaculture are important to the South Australian economy, generating a combined income of \$622 million in 2005-06. Records show that in 2007 there were 1187 fisheries licences and 623 active aquaculture licences. The sector is also a significant employer, with more than 2600 people involved in commercial and marine fishing and over 1,800 in aquaculture.

Review findings

Feedback from the fishing and aquaculture industry on government initiatives to reduce the regulatory burden was mostly positive.

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INDUSTRY REVIEWS

- 4.4** However, a common concern was the need for greater focus on replacing paper-based systems with electronic lodgement of forms and payments.

There were various issues raised by the fishing sector concerning safety regulations, including:

- The need for safety plans on boats regardless of their size and risk.
- Advanced training for divers creating a shortage of qualified people.
- Life buoy and life jacket requirements.
- Lack of flexibility regarding fire extinguishers.
- The requirement for HF radio which is old technology.

The aquaculture sector was concerned about the licensing system, including complaints of excessive paperwork and the fact that renewals are not automatic.

Respondents also felt that land-based aquaculture should be treated as any other form of farming and rezoning should not be required. Planning submissions were expensive and could take months to finalise, and planning officers had different interpretations of the requirements.

Key outcomes

- Option of submitting forms online, including licences, quota transfers, stamp duty calculations, to be pursued.
- Extension of land-based aquaculture licenses from one to two or three years and further simplification of application process for smaller aquaculture operations.
- PIRSA Aquaculture to continue streamlining and improving its case management service for industry.

4.5 Metal Manufacturing

Sector snapshot

There are 45,000 people employed in the sub sectors of machinery and equipment manufacturing and metal product manufacturing, as at 30 June 2006, 46% of total manufacturing employment in South Australia.

Review findings

A range of issues was raised by the metal manufacturing sector under the banner of 'managing regulation' and the cost and time associated with compliance. Among the various measures proposed by industry were:

- The establishment of a regulation commission.
- A requirement for regulators to report on their performance.
- Inter-governmental cooperation on regulations.
- Publication of enforcement policies.
- Longer term licences.

The review heard concerns that EPA licences are not based on cost recovery, and that compliance costs represent a substantial burden to the sector.

Other issues raised by the metal manufacturing sector:

- Paying fees on business acquisitions in SA makes the State less competitive when compared to other jurisdictions.
- The ongoing relevance of the Construction Industry Training Fund levy.
- Gaining access to Government training schemes is too difficult.
- All business-related services and functions should be available online.
- The need for a national system for registering business names.
- The application process for Centre for Innovation (CFI) grants is too complicated.

4 INDUSTRY REVIEWS

4.5 Metal Manufacturing

Key outcomes

- EPA introduces a new licence fee structure in July 2008 based on the principles of user pays and polluter pays.
- SA Government actively participates in the Council of Australian Governments (COAG) Business Regulation and Competition Working Group.
- Department of Further Education, Employment, Science and Technology to work with consumers, business and government to establish a training portal containing information and contacts.
- Introduction of a mandatory Common Measurement Tool for agencies to survey satisfaction levels among business customers.

4.6 Wine Grape Growing and Wine Production

Sector snapshot

There are 563 wine producers in South Australia who produce more than 60 per cent of Australia's wine exports. There are also more than 3000 grape growers in the State responsible for managing over 74,000 hectares of vineyards.

Review findings

Water trading was among the key issues raised by grape growers. The sector complained that the trading process is too slow and requires numerous approvals. Other complaints covered the complexity and time taken to comply with:

- Applications to remove native vegetation.
- Produce import regulations for interstate markets.
- Training for pest controllers' licences.
- Industry levies.

Different wine labelling requirements in Australia and overseas was identified as one of the major red tape issues for wine producers.

They were also concerned about:

- Lack of flexibility and delays in liquor licensing for community events.
- Delays in gaining signage approvals in wine regions.
- Inconsistent legislation for companies operating in different jurisdictions.
- Cellar door rebates and a lack of alignment with the Business Activity Statement.

General issues raised during the review:

- Business should be given the choice of paper or electronic communication with Government.
- The cost of EPA compliance with environmental regulations open to interpretation.
- Training obligations for OHS&W, particularly in regional areas.
- Too much bureaucracy associated with training programs.

Key outcomes

- SA takes the initiative ahead of other states and territories and introduces standardised labelling requirements in line with an agreement by the World Wine Trade Group.
- Proposed amendments to the Liquor Licensing Act 1997 to:
 - Allow for a producer to operate a collective cellar door.
 - Enable producers to hold samplings and to sell from more than one premise.
 - Enable a producer to sell all forms of liquor in a designated dining area with or ancillary to a meal provided by the producer.
- Promotion with industry of newly developed guidelines related to native vegetation removal.
- Review of approaches to interstate water trade in accordance with the National Water Initiative requirements.

4

INDUSTRY REVIEWS

4.7 Building Construction

Sector snapshot

Nearly 48,000 people are employed in the building construction industry which has a turnover in South Australia of more than \$5 billion a year. There are about 26,300 businesses in the sector, of which 98.6 per cent have fewer than 20 employees. A large number are officially classified as non-employing.

Review findings

The administrative and compliance burden for the building sector depends partly on the nature of the business and the work it undertakes. This ranges from building single homes to major projects. Issues identified:

- Planning system in need of urgent and extensive overhaul.
- OH&S requirements are complex and overlap with Federal requirements.
- Various Government tendering processes require similar information for each application.
- Concern that new site contamination legislation will add more uncertainty and cost to residential developments.
- Delays in decisions by the Native Vegetation Council.

A common complaint was the need for Government to find more effective ways of communicating with business to explain its requirements.

Two additional concerns were not strictly regulatory issues:

- The absence of a tribunal to deal with disputes between architects, builders and clients.
- Uncertainty over the role of the Construction Industry Training Fund and how to access it.

Key outcomes

- Planning and development system reformed following a separate 12-month review.
- A review of all tender documents and establishment of a pre-qualification process for construction contractors.

5

AGENCY SUMMARIES

5.1 Department of Education and Children's Services

An extensive red tape program by the Department of Education and Children's Services resulted in the initial savings target being more than trebled to \$9 million.

A major focus has been to reduce quoting costs for prospective suppliers. This was tackled by increasing the threshold for written quotations from \$2000 to \$5500 and then \$11,000, and new procedures for written quotations, simplified contracts and modified tenders for repeat purchases.

DECS also introduced several initiatives to address cumbersome and time-consuming processes. Examples include electronic taxi payment approvals for schools, an automated collection process for school card applications to reduce double-handling and a global e-recruitment system introduced so schools call fill positions quicker.

Net red tape savings: \$23.8 million per annum

5.2 Department for Environment and Heritage

Easier access to information, a reduction in double handling and a general streamlining of services are the outcome of a red tape reduction plan introduced by the Department for Environment and Heritage.

DEH has paid particular attention to improving processes for assessing development proposals, particularly in relation to coastal areas and heritage-listed sites.

Cumbersome processes for dealing with Crown land are under review and all perpetual leases will become freehold by the end of 2010.

Systems have also been streamlined in numerous other areas, including licensing and fee payment processes for commercial tour operators, obtaining

permits for wildlife destruction and native seed and fruit collection, and the involvement of industry in the kangaroo tag and quota system.

Net red tape savings: \$0.9 million per annum

5.3 Department for Families and Communities

Doing business with the Department for Families and Communities is now easier, particularly for suppliers and community organisations.

A streamlined procurement process has been introduced to standardise procedures and cut down on the paperwork. Greater use is being made of the Internet to advise suppliers in advance about forward procurement plans and tenders can now be obtained and lodged online.

Electronic systems have also been improved so community organisations can apply for grants online and a central database established to increase information sharing.

Net red tape savings: \$1.1 million per annum

5.4 Department of Further Education, Employment, Science and Technology

Business, suppliers and employees all benefit from improvements to regulatory processes introduced by the Department of Further Education, Employment, Science and Technology.

As part of ongoing efforts to cut red tape, DFEEST has introduced changes to its procurement process for suppliers and extended funding arrangements from one to three years for community-based organisations carrying out adult education and training.

Migrants will find it easier to become productive members of the workforce following a streamlining of the skills recognition system.

Net red tape savings: \$2.8 million per annum

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AGENCY SUMMARIES

5.5 Department of Health

An extensive review of regulations and procedures by the Department of Health has been successful in cutting red tape in numerous areas to streamline services, remove inconsistencies and eliminate duplication.

Separate measures were introduced covering everything from wastewater product approvals and dairy inspections to private hospital licensing and electronic prescribing.

Various regulations were amended to create efficiencies in the prescription of different pharmaceuticals and to streamline packaging and labelling approvals involving interstate jurisdictions.

A major focus was improvements to procurement policy and measures to reduce tendering costs and administrative impediments for organisations doing business with the department.

Net red tape savings: \$6.0 million per annum

5.6 Department of Justice

A Justice Competitiveness Taskforce has been established by the Department of Justice to target cost and time savings for business.

The Justice portfolio covers about 200 Acts and nearly 30 different licences which are being reviewed as part of the agency's red tape reduction plan. The aim is to remove redundant, obsolete or duplicated regulatory requirements and streamline underlying regulatory processes.

Key initiatives include licensing and regulatory improvements involving the Office of Consumer and Business Affairs and the Office of the Liquor and Gambling Commissioner, and online business applications and person approvals through a new web-based system.

The department is also actively contributing to Competitiveness Council reforms involving reviews of key industries and an across-government business licensing reform project.

Net red tape savings: \$23.8 million per annum

5.7 Department of the Premier and Cabinet

Making it easier for business to comply with workplace safety laws has been a major focus of the Department of the Premier and Cabinet, which has responsibility for administering SafeWork SA.

DPC has improved SafeWork SA's business practices and also amended regulations under the Occupational Health and Welfare Act 1986. Red tape involving compliance was successfully reduced without compromising workplace safety.

The Department also put considerable resources into coordinating South Australia's input into the national harmonisation and deregulation agenda. This included strong representation at the COAG Business Regulation and Competition Working Group which is developing 27 separate areas for reform to reduce the regulatory burden on business.

This work is ongoing and has the potential to deliver savings to South Australian companies far in excess of those achievable at a purely State level.

Other DPC initiatives to avoid or minimise new compliance costs include facilitating better regulatory impact statements, gate-keeping of new regulatory proposals and monitoring sun-setting of regulations.

Net red tape savings: \$4.9 million per annum

5.8 Department of Primary Industries and Resources SA

After extensive industry consultation and various legislative reviews, Primary Industries and Resources SA introduced over 40 separate measures to reduce red tape.

PIRSA has diverse interests so each agency within the department was responsible for identifying areas of improvement.

Some of the most far-reaching changes were made in planning following a rigorous assessment of regulations.

In primary industries there was a strong focus on reducing paperwork and time spent on compliance for agriculture, while new licensing and quota systems were introduced in fisheries.

The mining sector also benefited from legislative changes and improved systems covering areas such as land access, data lodgement, reporting and industry approvals.

Net red tape savings: \$34.7 million per annum

5.9 Department of Trade and Economic Development

Streamlining the process for business to undertake major projects in South Australia has been a priority of the Department of Trade and Economic Development.

Investors will find it much less challenging to embark on large, complex projects as the result of a new case management framework that coordinates different government agencies. Case managers have been assigned to major projects to help industry cut through the government maze.

Small and medium enterprises will also find it easier dealing with government following changes made by DTED to procurement processes. Attracting more skilled and business migrants to South Australia has also been addressed through improvements to the sponsorship program.

Net red tape savings: \$7.4 million per annum

5.10 Department for Transport, Energy and Infrastructure

Paperwork has been reduced, electronic systems improved and compliance costs cut following dozens of reforms designed to make it easier for business dealing with the Department for Transport, Energy and Infrastructure.

Initiatives are wide-ranging and affect most businesses dealing with the agency, from marine and road transport to electrical trades, building and land titles.

The road transport industry generally will benefit from a new bulk registration system, the streamlining of vehicle inspections and the production of electronic route maps for restricted access vehicles. Paperwork has been simplified for tow truck operators. Processes have been simplified and costs reduced for public transport operators.

Various systems have been changed to reduce red tape for the building sector, including less paperwork for contracts and tenders, and a rationalising of trade and professional disciplines in the department's building prequalification scheme. The property development industry has also welcomed changes to reduce the time it takes to process land titles and new allotments.

Net red tape savings: \$24.7 million per annum

5.11 Department of Treasury and Finance

An overhaul of State taxation laws and greater use of electronic systems to assess and pay taxes are among initiatives developed by the Department of Treasury and Finance.

Business is the main beneficiary of a detailed analysis of taxation laws to remove redundant provisions and regulations that create confusion and time-wasting. Some unavoidable increase in the red tape burden for business has resulted from legislative initiatives necessary to limit stamp duty and land tax avoidance.

In other improvements, cost savings for business will result from the introduction of an enhanced online service that makes it easier to access information and pay taxes electronically.

Net red tape savings: \$25.7 million per annum

5.12 Department of Water, Land and Biodiversity Conservation

A wide-ranging review of interaction with business has prompted the Department of Water, Land and Biodiversity Conservation to introduce numerous reforms.

Key changes include streamlined planning processes involving the Native Vegetation Act and better use of websites for accessing information and processing forms. Efforts are also being made to consolidate services involving various bodies, particularly in the area of water permits and approvals for mining and development applications.

The department has also been closely involved in key reforms involving other agencies, including the introduction of case managers for major projects and simplified procurement for suppliers.

Net red tape savings: \$5.9 million per annum

5.13 Environment Protection Authority

The red tape burden on organisations regulated by the Environment Protection Authority has been significantly reduced following a wide-ranging reform focused on the environmental licensing system.

About 2000 organisations in South Australia are required to have a licence under the Environment Protection Act 1993 because they conduct activities that could impact on the environment.

To cut down on the paperwork, various improvements have been made such as five-year default licences, simplified reporting requirements and the introduction of multi-site licences. Licence fees have also been restructured to better align them with polluter pays and user pays principles.

Several new systems have been implemented to ensure regulatory response better matches environmental risk. Two examples include the Industry Compliance Auditing System and the application of regulatory monitoring.

The EPA has also focused on improving its turnaround time for processing development assessment referrals, reducing the average from 32 days to 27 days.

Net red tape savings: \$2.0 million per annum

5

AGENCY SUMMARIES

5.14 Land Management Corporation

Businesses are finding it easier tendering for work with the Land Management Corporation following a major review of the procurement and tendering processes.

The cost of tendering will be cut – along with the paperwork – following the introduction of procurement panels comprising pre-qualified business suppliers for certain industries. The panels remove the requirement for approved businesses to submit detailed tenders when quoting for work.

In many cases, it is envisaged that a simple 'request for quote' template is all that will be required.

Other red tape reduction improvements include the introduction of electronic tendering to improve access and reduce paper, standardised contracts and changes to the procurement threshold, with competitive tenders now only required for purchases above \$11,000, not \$5500.

Net red tape savings: \$0.2 million per annum

5.15 SA Water Corporation

New online services are among a range of initiatives developed by SA Water to make it easier for organisations to do business with the utility.

To reduce compliance costs for companies, SA Water is introducing electronic services for both bill delivery and invoice approval.

It is also piloting a web-based system that will allow people to track the progress of water and sewer applications for new buildings to assist with budgeting and coordinating other services.

Other initiatives include a more efficient and customer-friendly process for development applications to reduce costs to industry. SA Water

is also working with the Department for Transport, Energy and Infrastructure to better coordinate roadworks and limit disruption to business.

Net red tape savings: \$0.8 million per annum

5.16 WorkCover Corporation

About 14,000 small businesses will benefit from a decision to change the registration requirements for WorkCover.

In the past all employers – about 65,000 – had to pay a WorkCover levy. This figure has been reduced significantly by exempting businesses that only partly employ someone.

Red tape for the remaining employers has also been reduced by allowing forward payment of WorkCover levies on an estimate of annual wages. Companies taking this option will no longer have to report monthly or quarterly, but can reconcile wages with the WorkCover levy paid at the end of the year.

Net red tape savings: \$5.4 million per annum

See Appendix 2 for details of each savings initiative identified by agencies and the savings counted by Deloitte.

6

CASE STUDIES

6.1 Planning Reforms

Issue: Planning applications too complex

Outcome: Streamlined approval process, savings to industry of \$13.6 million.

State Government agencies: Department of Primary Industries, and Resources (Planning SA); Department of Water, Land and Biodiversity Conservation; Department for Environment and Heritage; SA Water; Environment Protection Authority, Department for Transport, Energy and Infrastructure.

Targeting delays in planning approvals

Obtaining planning approval has always had the potential to be a complex, drawn-out process, even for simple developments.

Depending on the project, various local councils and government agencies can be involved, and the paperwork can be extensive.

Developers and industry professionals such as surveyors have to contend with different planning policies among councils and comply with various regulations in areas such as the environment, native vegetation, water and heritage.

Applications can become bogged in the system and tracking their progress is a challenge.

Delays mount and that can add to the cost of the development.

Online approach accelerates approval process

Improving the process for land division and planning applications in South Australia has been a priority of the red tape reduction program and is being tackled at many levels by different agencies.

Several key reforms have centred on advanced online systems to access information and to lodge and track applications.

Planning SA has introduced a sophisticated electronic lodgement system for land division applications to streamline the entire assessment process.

This is being supported by an advanced online mapping system that provides developers and the business community with an unprecedented level of information on a full range of geographic and spatial information.

The statewide atlas is a powerful analytical tool with about 150 different layers showing everything from zoning and demographics to industry and retail activity.

Another major initiative has been the standardisation of Development Plan policies in consultation with local councils across the State. Policy 'modules' have been developed covering different planning issues. Standardised policies help developers to better understand requirements in preparing applications, saving them time and money.

Planning legislation has also been overhauled to simplify the approval process by removing unnecessary but previously mandatory referrals to various departments.

Other Government agencies have been busy addressing different red tape issues that have the potential to delay the planning process:

- The Department for Environment and Heritage has expanded its Heritage Advisory Service so that property owners, developers and council staff are aware of requirements at an early stage.
- The Environment Protection Authority has introduced a new IT system and improved its assessment time for processing applications.
- The Department of Water, Land and Biodiversity Conservation has simplified and rationalised regulations under the Native Vegetation Act to provide a clearer link to other planning agencies and to increase self approvals.

CASE STUDIES

6.1 Planning Reforms

- The Department for Transport, Energy and Infrastructure has introduced improved tracking processes and systems to ensure 100% compliance with statutory response times.
- SA Water has introduced an online service that allows industry to track progress of their applications.

Planning reforms enter next phase

The various reforms to South Australia's planning system have removed many barriers to an efficient approval process.

Electronic lodgement for land division applications has cut paperwork and reduced approval time, from 15 days to as little as two.

It is now easy to verify the status of applications online, up-to-date information on land divisions is available instantly and standardised development policies has created greater certainty in the industry.

While the impact of these changes has been significant, Planning SA is now working on other major reforms recommended by the Planning and Development Review which will involve fundamental changes to the current system.

This involves codifying planning requirements for a full range of residential development so that applications do not need planning approval providing they comply with the code.

A reduction in "stop-the-clock" delays will improve decision-making times on applications which do not meet code requirements.

The full Planning and Development Review Report can be found at:
www.planning.sa.gov.au/go/planningreview

Electronic lodgements in areas of planning applications and Titles Office lodgements have made a significant improvement to the timeliness of processing land division applications. At the final plan stage some data fed into the system is automatically checked at the point of entry and notification to third parties also occurs automatically at crucial stages. One aim of electronic lodgement has been to attract investment to SA by offering the development community a streamlined process for the creation of new land titles.

Michael Lohmeyer
Director
Veska & Lohmeyer

6.2 Case Management Framework

Issue: Delays on major projects

Outcome: Faster project delivery, annual savings of \$21 million

State Government agencies: Majority of agencies

Keeping major projects on track

Planning a large-scale project invariably involves complex issues and dealing with multiple government agencies, initially in gaining development approval and subsequently in implementing the project.

Progress can be slow and frustrating as developers find the correct experts to talk to and work their way through various layers of bureaucracy.

While each agency has expertise in its own area, responsibilities overlap and conflicts arise. Finding a solution can be a challenge, resulting in delays and increased project costs.

It's a scenario common with most governments. It became apparent recently with a proposed major industrial development facing complex planning and approval processes at State and Federal levels.

CASE STUDIES

6.2 To achieve an outcome that was acceptable to all parties it was determined to appoint a case manager – a senior manager within government capable of untangling the red tape.

Linking government agencies

Issues involving case managed developments were resolved when case managers worked with key government agencies and the project proponent.

The experience highlighted the challenges faced by project proponents in dealing with multiple departments. It inspired the development of a Case Management Framework in which case managers are assigned as a single point of contact for proponents during the planning and approval phase of major projects.

Case managers are familiar with project management and have a wide understanding of the processes of government. By combining the two skill sets they provide leadership and effective communication between government agencies and the proponent.

The framework ensures continuity and cohesion between agencies and helps address issues in the context of the entire project. When problems arise proponents have a single point of contact within government.

Equally important, unresolvable issues that might prevent the project going ahead are identified early, usually at the initiation stage.

Approval process streamlined

The case manager ensures proponents have a much clearer idea of what is required by government and liaises with agencies to ensure they work together and understand the project requirements.

While the process does not guarantee approval, doors are opened and connections made with the right people, the decision-makers.

Case management is a whole-of-government vehicle that enables proponents to interact with Government at an early stage to optimise a development opportunity in a manner that supports the range of targets in the SA Strategic Plan.

Since November 2006, case managers have been assigned to nearly 30 major projects in South Australia ranging from mining and aquaculture to housing and energy.

Project management is estimated to account for between six and 10 per cent of the cost of major developments.

By making the approval process more efficient and reducing this cost, South Australia has become a more attractive investment option.

At Buckland Park we're building what is in effect a small town, which means dealing with a whole range of government departments and agencies. Having a case manager in Government who can make sure we speak to the right people at the right time is incredibly useful. It's not a leg up to getting approval but it's certainly a leg up to getting timely answers.

Sally Lewis

Urban Planner

Walker Corporation

6.3 Procurement Reform

Issue: Unwieldy procurement

Outcome: Streamlined system, faster decisions, annual cost savings estimated to be in excess \$37.8 million

State Government agencies: State Procurement Board and all State Government agencies

CASE STUDIES

6.3 Procurement Reform

Doing business with Government

Suppliers interested in working for government have long complained that the procurement process is too cumbersome and takes far too much time and effort for the size of the returns.

In their attempt to make the system transparent and fair, government agencies realised they needed to simplify procurement processes and reduce red tape.

A one-size-fits-all approach for contracts and tendering in the past has meant the same processes were employed for low-value, low-risk purchases and also high-value, high-risk purchases.

Duplication has also been a problem with different agencies tendering for similar goods and services, and suppliers having to respond to those multiple tenders.

For suppliers this has involved extensive form-filling and compliance issues which takes time and costs them money. Many companies have pulled out of the process, complaining it's simply not worth the effort.

Agencies embrace procurement reform

The program to reduce the red tape burden on suppliers is being coordinated by the State Procurement Board with involvement of all Government departments.

The reform strategy has focused on six key areas:

- Using a single contract or procurement approach rather than multiple options.
- Making sure that more rigorous selection processes are confined to higher risk, higher value contracts.
- Moving decision-making closer to those using the service or product.
- Standardising paperwork.
- Making procurement decisions faster.

- Reducing the use of tenders as the principal procurement process.

Among other strategies being employed by agencies are head agreements for commonly purchased items, simplified contracts, electronic tendering and the introduction of procurement panels whereby pre-qualified suppliers can quote for work without undergoing the full tender process.

While the reforms are ongoing, major advances have been made by many agencies, including the Department of Education and Children's Services (savings of \$23.6 million), Department of Health (\$6.8 million), Department of Justice (\$6.8 million), Department for Families and Communities (\$430,000) and Land Management Corporation (\$219,000).

Suppliers count the benefits

The State Procurement Board has been working closely with agencies on assessing the benefits flowing from the procurement reform program – and the results are impressive.

Cost savings for business continue to increase, paperwork has been standardised and substantially reduced and the amount of effort required to submit for government work is now far more in line with the value and market expectations.

The process is also much faster – it's estimated that the time taken to complete procurements for contracts valued over \$110,000 has been cut by 30 per cent – and the reliance on public tenders has fallen 8 per cent to 41 per cent in the 12 months to 2006/07.

As a regular supplier to Government, the introduction of standard documents has really streamlined the tendering process. The move to pre-qualified suppliers will make an even bigger difference. We'll be saving quite a few trees with the reduction in paperwork.

Adrian Beckett

Sales consultant
Ausco Modular Pty Ltd

CASE STUDIES

6.4 Wine Labelling

Issue: Labelling regulations

Outcome: SA winery savings of \$14 million a year

State Government agencies: Primary Industries and Resources SA, Department of Justice, Office of Consumer and Business Affairs

Industry bodies: SA Wine Industry Council, Winemakers Federation of Australia

Overcoming wine label impasse

Complying with different labelling requirements for domestic and global markets has frustrated the wine industry in Australia and overseas for years.

Each market has its own regulations governing information which must be shown. In Australia there has been a requirement that a measurement statement be displayed on the front of the bottle.

For wine companies, it's a costly and time-consuming exercise to design, print and apply different labels for each marketplace. The national cost was put at \$25 million a year.

A breakthrough came in January 2007 when the Australian Government signed an international agreement with a number of other wine producing countries in the World Wine Trade Group (WWTG).

For the first time wineries would be able to have a single label that could be used in domestic and international markets. Mandatory information could be placed anywhere, except on the base or cap, provided it could be viewed together.

In order for this agreement to be ratified by Australia, each state and territory needed to pass the necessary labelling regulations.

SA acts independently

Regulations governing measurement are controlled by the Uniform Trade Measurement Legislation operated by the states and territories.

As progress by other Australian states and territories to implement the agreement was slow, SA progressed the changes unilaterally in November 2007.

At the Ministerial Council of Consumer Affairs meeting in May 2008, the other States and Territories agreed to expedite, bringing the WWTG's agreement on requirements for wine labelling into force in their respective jurisdictions.

Major industry savings

The wine industry estimates that by acting alone, the State Government has saved the sector in South Australia about \$14 million a year.

For local wineries, labelling is now a faster and less complex process. There is less waste and less disruption on the bottling line while labels are changed.

This is something the wine industry in Australia has been pushing for some time. It means we can now use the same labels for domestic and overseas markets, resulting in larger production runs, less downtime and overall cost savings.

Chris Gerhard

Packaging and Development Manager
Yalumba

CASE STUDIES

6.5 Skills Development

Issue: Approving skilled migrants

Outcome: Faster processing, savings to business of \$3.7 million

State Government agencies: Department of Trade and Economic Development, Department of Further Education, Employment, Science and Technology, Immigration SA

Filling the skills gap

A strong economy and resulting high rate of employment has made it harder to find suitably qualified skilled workers. One option has been to look overseas.

The State Government has put considerable effort into sponsoring business and skilled migrants to South Australia to keep up with the demand.

However, the application process involved extensive paperwork. Immigration SA found it was processing unnecessary and often difficult to understand documentation which added to the processing time.

This often meant delays in approving sponsorships, which frustrated the potential migrants and their agents.

Even when they arrived in South Australia there was no guarantee they could begin work immediately. Some skilled people have to meet local licensing and registration requirements relating to their particular occupation.

This could result in months of additional training and further assessment of their skills.

Streamlining approvals and skills recognition

Several initiatives have been initiated to make it easier for business and skilled migrants to settle in South Australia while maintaining the integrity of the application process.

An estimated 70 per cent of the paperwork has been reduced following the introduction of online applications. Instead of extensive form-filling, applicants simply tick the appropriate box for many of the requirements.

The traditionally convoluted system for assessing financial statements for skilled migrants, which involved processing copious, often irrelevant paperwork, has also been simplified through a single pro forma document that has to be notarised.

Major advances have also been made in overcoming the issue of skills acceptance through the establishment of Skills Recognition Services. This ensures prospective migrants have access to all the necessary employment requirements via online information, emails and one-on-one assistance.

Relevant information is also provided to employers sponsoring migrants and a referral service has been established to alert newly arrived skilled people of employment positions.

Qualified workers start sooner

The removal of unnecessary paperwork for sponsorship applicants has improved the processing time and reduced delays.

The benefits of this coupled with improvements resulting from the Skills Recognition Services means employers can now access skilled workers faster and with more certainty.

CASE STUDIES

6.5 Time is saved in assessing the suitability of prospective employees and having their qualifications recognised, which means they can be immediately available for work when they arrive in South Australia.

Equally important, money is not being wasted in sponsoring workers who are deemed unsuitable once they arrive.

Skills Recognition Services was instrumental in helping me gain the licence I needed to keep my business going. Without their support I would have been unable to continue trading according to national licencing requirements.

Matthew Odgers

Owner
Online Refrigeration

Skills Recognition Services immediately identified an appropriate pathway for the recognition of my skills and determined the necessary additional training required. Through Skill Recognition's contacts with TAFESA, the additional training was arranged and completed promptly.

Stuart Robinson

Director
Grotech Pty Ltd

6.6 Restricted Vehicle Access

Issue: Permit system creates paperwork overload

Outcome: Minimum annual savings of \$1.1 million to industry

State Government agencies: Department for Transport, Energy and Infrastructure

Industry bodies: SA Farmers Federation, SA Road Transport Association, SA Freight Council, Owner Drivers Association, Local Government Association of SA, Livestock Transporters Association of SA

Overcoming permit system inefficiencies

Moving large amounts of freight and produce by road often involves the use of restricted access vehicles that can only travel on designated roads.

They include road trains and the increasingly popular B-double – a prime mover towing two semi-trailers.

To take such vehicles on roads has required a permit – and that's where the paperwork starts. The transport department has responsibility for issuing permits and approving new routes, but clearance is also needed from local councils to use roads under their jurisdiction.

Depending on the distances being travelled, permits can run to 20 pages, and because each council has its own regulations and expiry dates, they might need to be renewed annually.

Truck owners found the situation became even more complicated if they wanted to change routes and, as more B-doubles joined the system, there were inevitable delays in issuing permits.

Some large fleet operators needed full-time staff members just to handle the paperwork.

Department moves to gazette routes

Streamlining the approval process for restricted access vehicles became a priority under the State Government's red tape reduction initiative.

The solution involved an extensive assessment program by the Department for Transport, Energy and Infrastructure to gazette every route considered appropriate for restricted access vehicles.

Approval had to be obtained from dozens of councils which involved extensive discussions on which roads could be safely designated as gazetted routes.

CASE STUDIES

6.6 Restricted Vehicle Access

It has been a lengthy process and is still ongoing, but the benefits to truck owners are already significant. Once routes have been gazetted permits are no longer required.

Major time and cost savings for industry

The aim of the program is to maintain road safety without the need for permits and this is being achieved. Paperwork is being eliminated and the time and cost savings for industry are extensive.

Since the initiative began more than 3000 B-double permits have been excised and the department is extending the program to other vehicles such as low-loaders and mobile cranes.

Route maps have also been made available online so that truck owners can quickly find out which roads have been gazetted.

6.7 Land Services

Issue: Long delays in processing land division applications

Outcome: Annual savings to the property development industry of at least \$16.6 million

State Government agencies: Department for Transport, Energy and Infrastructure

Industry bodies: Property development and survey industries

Property rush slows land titles

Strong growth in South Australia's property market in recent years has triggered an increased demand for land, particularly in metropolitan Adelaide.

Developers have been creating new allotments and subdividing existing properties to accommodate the trend towards higher density living.

In 2006 interest in new land titles became so intense that the Department for Transport, Energy and Infrastructure experienced average monthly workload increases of about 15 per cent.

Processing times had stretched out from 10 to 76 working days. The delays disrupted development plan and construction schedules, adding considerably to industry holding and other costs.

Switch to online processing

The department's response was twofold: immediate interim steps were taken to reduce waiting times to industry-acceptable standards while work started on longer-term solutions.

The initial goal of reducing the waiting list quickly was achieved through the reallocation of resources and targeted use of overtime.

This was followed by the introduction of "Lean Service Principles" in the Lands Titles Office, which identified opportunities to maximise efficiencies of the division process, wherever possible.

By the middle of 2007, processing times for land division applications had returned to industry acceptable levels of 10 to 12 days. Planning was also well advanced for the long-term solution – electronic lodgement of land division proposals.

CASE STUDIES

6.7 New system transforms land management sector

Moving to online processing for plans of division is part of the journey of transforming land administration in South Australia.

A pilot for the electronic lodgement of plans began in February 2008 followed by the new electronic plan lodgement system which was launched on 23 June 2008.

The system can be accessed over the Internet, various fees can be paid and the status of applications can be viewed remotely.

A comprehensive business reform program is now being implemented to further extend the services in areas such as electronic document lodgement through a national electronic conveyancing initiative and improved access to land information.

All these changes are helping to streamline land administration, improve customer services and reduce red tape.

"A break through in service delivery by the Land Services Group."

Veska and Lohmeyer

"You guys should be proud of the way you have carried Electronic Plan Lodgement through to this product."

Alexander Symonds

"It is very pleasing that the previously excessive backlogs have now been reduced substantially. I am sure all sections of the industry appreciate your efforts and those of your staff in achieving this result."

Mellor Olsson

6.8 Online Business Licensing

Issue: Business licensing

Outcome: Annual cost savings of \$330,000, time savings, reduced paperwork

State Government agencies: Department of Justice through the Office of Consumer and Business Affairs and the Office of Liquor and Gambling Commissioner

Improving business processes

Registering a new business name in South Australia had the potential to be a time-consuming and frustrating process.

Applicants either had to lodge their preferred names in person at the Office of Consumer and Business Affairs (OCBA) or they could fax the agency three options. In the latter case, all three could potentially be rejected, forcing the applicant to start again.

It was also possible for the preferred name of a business to be accepted by OCBA only to be overturned down the track if, for example, the business applied for a liquor licence and the name didn't comply with licensing requirements.

Owners and managers in the liquor and gambling industry have been facing red tape issues of a different kind. People working for them must be deemed a 'responsible person' – and reaching that stage involved considerable paperwork on behalf of the licensee.

It was widely accepted that both the business name and the 'responsible person' approval processes were cumbersome, costing organisations time and money in order for them to comply.

Web portal overcomes delays

To speed up the processes for business, the Department of Justice is embracing the latest online technology.

CASE STUDIES

6.8 Online Business Licensing

The result is a business portal, soon to go live, that is interactive and automated and will enable people registering a new business name to complete their application totally online, selecting names until one of them is accepted.

The same web portal will also make life easier for the liquor and gambling sector when it comes to making 'responsible person' applications.

As well as completing these applications online, licensees will benefit from additional features that will allow them to view and update information on their employees. Users will be able to monitor the progress of the application and they will be informed via email when approvals have been given.

Businesses making applications for a new business name and for 'responsible persons' will only need to provide information once for both processes and they will be recognised automatically when they make new applications or amendments.

This will also avoid problems such as a business name being rejected during the liquor licensing process after being previously approved by OCBA.

The new online services are expected to be ready in September 2008 and progressively implemented over a one to two month period.

Expanding the benefits to business

Longer term, the State Government will consider options for expanding the business licensing portal to include other features, such as maps with names and locations to help companies identify potentially competing or complementary businesses, or to incorporate other licence applications.

Such a system would further streamline business interaction with government – reducing paperwork and using up less time and money.

6.9 Legislation Review

Issue: Out-of-date legislation

Outcome: Annual savings to business of at least \$31 million

State Government agencies: Department of Treasury and Finance, RevenueSA, WorkCover

Updating old legislation

Many Acts of Parliament were drafted years ago and they are still just as relevant today as they were then.

But that's not always the case. Over time aspects of the legislation can become outdated and no longer effective.

Sometimes particular provisions and regulations can even become redundant.

Acts are complex documents and for business it can be a considerable challenge working out the areas that no longer apply. Time is wasted trying to comply with provisions that still exist, yet are inoperable, and money spent on professional advice.

Review identifies redundant provisions

Five pieces of legislation relating to State taxes and WorkCover were identified by the Government as requiring urgent review – *Stamp Duties Act 1923*, *Pay-roll Tax Act 1971*, *Land Tax Act 1936*, *Workers Rehabilitation and Compensation Act 1986* and *WorkCover Corporation Act 1994*.

CASE STUDIES

6.9 Assessing the legislation is an exhaustive process that requires careful checking and cross-checking of every provision to ascertain its currency.

At RevenueSA a panel of experts spent many hours identifying areas that could be safely removed or changed.

The introduction of the GST, which led to the elimination of some State taxes, meant various provisions were no longer relevant. The *Stamp Duties Act* was found to be particularly problematic and in need of extensive updating.

The outcome was the *Statutes Amendment and Repeal (Taxation Administration) Bill 2008* currently before Parliament.

Amendments to WorkCover legislation were also initiated after a comparison with similar Acts in other jurisdictions (see Clayton Walsh Review Report).

Various improvements were introduced, including incentives for employees to rejoin the workforce earlier and the removal of WorkCover levies for micro employers.

Significant cost savings to business

Thousands of South Australian companies will benefit from the review of key legislation affecting business.

An independent audit of the amendments to State tax legislation proposed by RevenueSA identifies cost savings to business of at least \$26.1 million a year.

The impact of the WorkCover review is also substantial. About 16,000 micro employers – more than one-third of them in agriculture – will no longer have to be registered with WorkCover as a result of changes to the legislation.

Benefits will also flow to larger employers following the introduction of advance levy payments, and other improvements will result in employees returning to work safely but in a shorter timeframe.

Any reduction to the plethora of legislation that must be dealt with by business or their advisers is to be welcomed. The regular review and removal of redundant provisions can only assist in enabling business to operate more efficiently and compete more effectively in the national and international market place.

David Spurrirt

Partner
PKF



APPENDIX 1

Department of Trade and
Economic Development

Red Tape Reduction – Phase 3

DELOITTE REPORT

July 2008 Review

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1 Objective

As part of the Internal Audit Services provided to the Department of Trade and Economic Development (DTED), Deloitte has undertaken an internal audit of the Red Tape Reduction Initiative.

The purpose of the engagement was to assess each of the listed agencies' progress in, and quantification of, delivering red tape reductions.

The engagement was performed in accordance with Australian Auditing Standard AUS 110, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". This report details the findings of this assignment which was undertaken under the terms of the agreed project brief dated 20 July 2007.

The findings contained within this report have been agreed with the Director, Competitiveness Council.

Further information in relation to the extent of the procedures performed and the scope of our engagement is detailed in Appendix 4 - Terms of Reference and Appendix 5 – Statement of Responsibility, respectively.

2 Executive Summary

2.1 Background

2.1.1 Overview of the Red Tape Reduction Program

On 5 March 2006, South Australian Premier Mike Rann stated that the South Australian Government will target a 25% reduction in 'red tape' by July 2008. This was calculated by government to translate into a \$150m per annum net reduction in red tape costs for business.

The Competitiveness Council has adopted the following as a broad working definition of 'red tape':

The time and money spent by businesses to understand and comply with government regulations, and related processes, and that are above and beyond the daily costs of running a business.

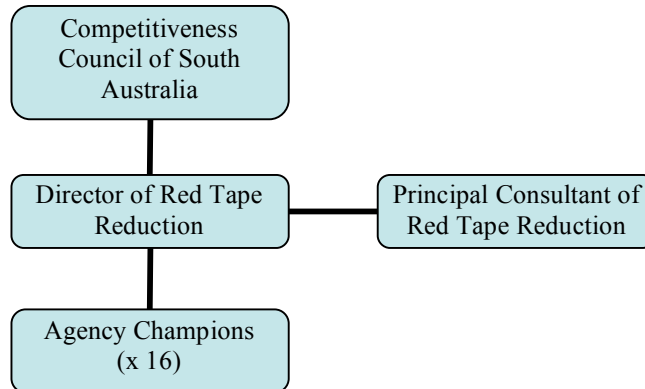
For the purposes of implementing the State Government's Red Tape Reduction Program, the Competitiveness Council is asking agencies to identify red tape; that is non-essential procedures, processes, forms, licences and regulations that add to the cost of dealing with Government. This could include anything obsolete, redundant, cumbersome or confusing that diminishes South Australia's competitiveness and stands in the way of job creation or wastes tax payer's time and money.

The term 'red tape' is often used interchangeably with the term regulatory compliance burden, and includes the following cost categories as defined by the Productivity Commission:

- Paperwork compliance costs – The costs imposed on the administrative structures of a business due to filling out forms and providing information;
- Non-paperwork compliance costs – For example, human capital investment (staff training and education), physical investment costs (re-configuration of plant and equipment) or 'capital holding' costs associated with regulation-induced delays in business projects; and
- Financial costs – These include government fees and charges, including permit and licence fees, on the basis that these fees are intended to recover the cost of administering regulations, but not taxes and levies.

2.1.2 Structure of the Program

The program was initiated by the Competitiveness Council and has been endorsed by the South Australian Government, with DTED supplying a Director for the program and a Principal Consultant to oversee the project. Each agency, as outlined in Appendix 4, has nominated a champion to encourage Red Tape Reduction activities within their agency. Each Champion produced a progress report for July 2008. The project structure is represented in Diagram 1 below.

Diagram 1.

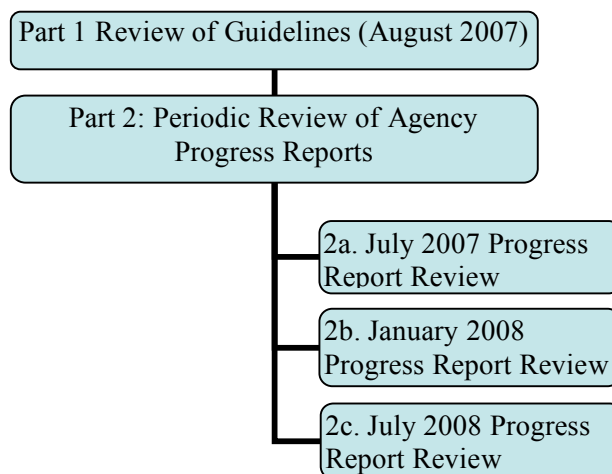
It is our observation that agencies have taken a very serious approach to this task and some have engaged outside assistance in identifying and valuing savings. Initiatives undertaken include a wide range of activities such as on-line applications for customer service, legislative simplification and removal of outdated regulatory requirements.

2.1.3 Deloitte's Role

Deloitte was engaged by DTED to perform two pieces of work;

- a review of the initial guidelines for agencies. This was completed in August 2007.
- periodic reviews of the Red Tape Reduction reports prepared by each agency. There were 3 review periods, namely July 2007, January 2008 and July 2008.

The overall structure of this assignment is represented in Diagram 2 below. This report addresses item 2c.

Diagram 2

2.2 Approach

2.2.1 Assessment of Reasonableness for Agency Progress Reports

For this assessment, we obtained the July 2008 progress reports for all 16 agencies, as listed in Appendix 4. For each report Deloitte identified all material initiatives (those with a reported saving to business valued at \$100,000 or greater) whose valuation had not been verified during previous assessments, or whose value had changed since the January 2008 report. The identified initiatives were assessed for the following:

- a. conceptual validity of each initiative
- b. validity of calculation to value the savings
- c. supporting information for the variables used in calculation
- d. the difference between the initiative valuations as at January 2008 and July 2008.

Various methods were used to assess the initiatives. These included email communication, meetings and phone calls to the agencies' red tape reduction champions, as well as a review of Red Tape Reduction reports, assessment of supporting documentation and checking of arithmetical accuracy of calculations.

3 Findings

3.1 Findings and Recommendations

Based upon the work described in 2.2 above, the following key points were identified:

3.1.1 Initiatives which were not implemented by June 2008

Numerous initiatives were not fully implemented within the designated timeframe (July 2008). These include initiatives which were dependent on legislative changes or long term projects to be enacted or implemented after 30 June 2008. Deloitte has been advised by DTED that two categories of red tape reduction savings will be counted towards the \$150 million target and to value initiatives that:

- were fully implemented by 30 June 2008 and business is starting to benefit from the savings (Category 1 in Table 1)
- had Cabinet approval (or other necessary final approval), will be partially implemented by 30 June 2008 and fully implemented by 30 June 2009. (Category 2 in Table 1)

Deloitte has also been advised to value initiatives that are still in the planning stage but where there is some certainty that they will be implemented during 2008/09. While savings associated with these initiatives have not been counted towards the overall target, they are reported as part of the State Government's ongoing reform program.

The above approach to valuing red tape reduction initiatives has been endorsed by the State Government.

3.1.2 Unvalued Initiatives

There are many initiatives which are as yet unvalued, but which Agencies still intend to implement. Some of these may be in place before June 2009, therefore increasing the final Red Tape Reduction saving.

3.1.3 Government Procurement Card

A potential Red Tape Reduction saving which was identified during this review, but has not been included or valued is the implementation of a Whole of Government Procurement card program, used to purchase low value items. It would present significant efficiency savings to both Government and business and would also deliver substantial cashflow benefits to business as settlement takes place within three days of procurement.

3.2 Valuations

Deloitte's valuation assessment of each agency's June 2008 report is summarised in table 1 below. This valuation is based upon information provided by the agencies.

Table 1

Category	Valuation \$000s
1. Completed initiatives.	112,703
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009.	60,725
Sub Total Gross Red Tape Initiatives Savings	173,428
3. Costs associated with new regulation	(3,293)
Total Net Red Tape Initiatives Savings	170,135

Category	Valuation \$000s
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	456
5. Other benefits to business	34,044

Calculation methodologies for all category 1 and 2 initiatives above have been agreed with Deloitte, however, only a limited review of initiatives in categories 3, 4 and 5 has been performed.

It should be noted that Deloitte has not performed any qualitative testing to ascertain the likelihood of initiatives being fully implemented on time as this is outside the scope of this review.

A breakdown of initiatives in categories 1, 2, 3 and 4 can be found in Appendix 1. A more detailed breakdown of those initiatives in category 3 is detailed in Appendix 2. Details of benefits associated with category 5 are contained in Appendix 3.

3.3 Acknowledgment

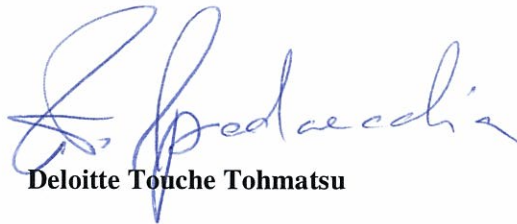
We wish to place on record our appreciation of the assistance and cooperation received from the management and staff of each of the agencies detailed in Appendix 4.

4 Conclusion

4.1 Conclusion

Based on the work program described and the evaluation criteria set out in the Terms of Reference in Appendix 4 of this report, and except for the matters set out in this report, nothing has come to our attention that causes us to believe that the reports provided to DTED regarding the Red Tape Reduction Initiative by the agencies listed in the scope are not, in all material respects, complete and accurate.

Sam Spadavecchia



Deloitte Touche Tohmatsu

Appendix 1- Summary Agencies’ Initiatives

Based upon the work performed, Deloitte has produced the following table which summarises the valuation of each agency’s initiatives.

1. Dept of Education and Children’s Services	
Category	Valuation \$000’s
1. Completed initiatives	6,039
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	17,775
Sub Total Gross Red Tape Initiatives Savings	23,814
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	23,814
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
2. Dept for Environment and Heritage	
Category	Valuation \$000’s
1. Completed initiatives	847
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	89
Sub Total Gross Red Tape Initiatives Savings	936
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	936
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
3. Department for Families and Communities	
Category	Valuation \$000’s
1. Completed initiatives	532
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	592
Sub Total Gross Red Tape Initiatives Savings	1,124
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	1,124
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0

4. Dept of Further Education, Employment, Science & Tech	
Category	Valuation \$000's
1. Completed initiatives	2,750
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	0
Sub Total Gross Red Tape Initiatives Savings	2,750
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	2,750
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
5. Dept of Health	
Category	Valuation \$000's
1. Completed initiatives	7,091
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	21
Sub Total Gross Red Tape Initiatives Savings	7,112
3. Costs associated with new regulation	(1,114)
Total Net Red Tape Initiatives Savings	5,998
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	11
6. Dept of Justice	
Category	Valuation \$000's
1. Completed initiatives	23,449
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	428
Sub Total Gross Red Tape Initiatives Savings	23,877
3. Costs associated with new regulation	(48)
Total Net Red Tape Initiatives Savings	23,829
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
7. Dept of the Premier and Cabinet	
Category	Valuation \$000's
1. Completed initiatives	1,380
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	3,486
Sub Total Gross Red Tape Initiatives Savings	4,866
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	4,866
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0

8. Dept of Primary Industries and Resources SA	
Category	Valuation \$000's
1. Completed initiatives	34,842
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	0
Sub Total Gross Red Tape Initiatives Savings	34,842
3. Costs associated with new regulation	(145)
Total Net Red Tape Initiatives Savings	34,697
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	49
9. Dept of Trade and Economic Development	
Category	Valuation \$000's
1. Completed initiatives	1,688
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	5,715
Sub Total Gross Red Tape Initiatives Savings	7,403
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	7,403
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
10. Dept for Transport, Energy and Infrastructure	
Category	Valuation \$000's
1. Completed initiatives	23,633
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	1,247
Sub Total Gross Red Tape Initiatives Savings	24,880
3. Costs associated with new regulation	(221)
Total Net Red Tape Initiatives Savings	24,659
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	332
11. Dept of Treasury and Finance	
Category	Valuation \$000's
1. Completed initiatives	1,384
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	26,100
Sub Total Gross Red Tape Initiatives Savings	27,484
3. Costs associated with new regulation	(1,765)
Total Net Red Tape Initiatives Savings	25,719
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0

12. Dept of Water, Land and Biodiversity and Conservation	
Category	Valuation \$000's
1. Completed initiatives	5,930
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	0
Sub Total Gross Red Tape Initiatives Savings	5,930
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	5,930
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
13. Environment Protection Authority	
Category	Valuation \$000's
1. Completed initiatives	1,998
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	20
Sub Total Gross Red Tape Initiatives Savings	2,018
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	2,018
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
14. Land Management Corporation	
Category	Valuation \$000's
1. Completed initiatives	158
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	61
Sub Total Gross Red Tape Initiatives Savings	219
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	219
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0
15. SA Water Corporation	
Category	Valuation \$000's
1. Completed initiatives	666
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	123
Sub Total Gross Red Tape Initiatives Savings	789
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	789
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	64

16. WorkCover Corporation	
Category	Valuation \$000's
1. Completed initiatives	316
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	5,068
Sub Total Gross Red Tape Initiatives Savings	5,384
3. Costs associated with new regulation	0
Total Net Red Tape Initiatives Savings	5,384
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	0

Totals	
Category	Valuation \$000's
1. Completed initiatives	112,703
2. Initiatives partially implemented by 30 June 2008 which will be fully implemented by 30 June 2009	60,725
Sub Total Gross Red Tape Initiatives Savings	173,428
3. Costs associated with new regulation	(3,293)
Total Net Red Tape Initiatives Savings	170,135
4. Initiatives currently in planning stages which are expected to be implemented prior to July 2009	456

Appendix 2 – Costs Associated with New Regulation (Category 3)

For the purpose of deriving net savings, agencies were required to include in their red tape reduction plans details of all measures introduced between March 2006 and 30 June 2008 that are likely to impose new regulatory burdens on business, unless:

- the new regulations were in response to an emergency or unanticipated event (e.g. disasters, severe drought, terrorism, etc.) and there is evidence that the failure to take responsive action would have imposed greater costs on society than the action proposed; or
- the new regulations sustain the viability of a threatened natural resource (e.g. prescribing water courses) where the alternative of not regulating would diminish that natural resource; or
- the proponent agency can demonstrate that the new regulations satisfy best practice regulatory approaches (and therefore do not impose unnecessary new compliance burdens on business).

Legislative amendments associated with Consumer Price Index (CPI) increases are also excluded.

Below is a table of the costs associated with the implementation of new legislation that have been identified by agencies as not meeting the above exempt categories. It should be noted that the one-off legislative costs in the table below have been allocated evenly across the five years of the Red Tape Reduction program.

These costs have not been verified or audited as they fall outside the scope of this audit engagement.

Agency	Legislation	Costs \$000's		
		One Off	Ongoing	Annual Total
Dept of Health	Mandatory Food Safety Program	70	1,100	1,114
Dept of Justice	Residential Parks Act	13	45	48
Dept for Transport, Energy and Infrastructure	Feed-in Law for Residential Solar PV Systems	49	13	23
	Enhanced Taxi Safety	210	100	142
	Australian Builders Plate for Recreational Boats	280	0	56
Dept of Primary Industries and Resources SA	Barley Exporting Act 2007	31	113	119
	Primary Produce (Food Safety Schemes) Act 2007	0	5	5
	Primary Produce (Food Safety	0	21	21

Agency	Legislation	Costs \$000's		
		One Off	Ongoing	Annual Total
	Schemes) Act 2004			
Dept of Treasury and Finance	The Stamp Duties (Land Rich Entities)	0	650	650
	Amendments to the Land Tax Act	0	1,115	1,115
			Total	3,293

Appendix 3 – Other Benefits to Business (Category 5)

The initiatives detailed below are those initiatives which have arisen from the Red Tape Reduction program, but which do not fall within the strict guidelines of Red Tape Reduction. That notwithstanding, these initiatives offer specific quantifiable non-Red Tape Reduction benefits to business.

Agency	Project	Benefit to Business \$000's
Dept of the Premier and Cabinet	Reduce costs to construction industry	900
	Improved workplace safety program	13,950 (Over 2 years)
Dept of Primary Industries and Resources SA	Planning SA - Broad acre land DB reports	958
Dept of Trade and Economic Development	Santos share cap removal	12,390
Dept of Treasury and Finance	Deregulation of export barley market	146
Environment Protection Authority	Restructuring of licence fees	2,500
	Flow on benefits for improved referral response times	3,200
Total		34,044

Deloitte has also been advised that the following State Government initiatives will deliver additional significant benefits to business, but which have not yet been fully costed:

1. Review into the WorkCover Scheme

There are a number of aspects of the reforms arising from the review and the legislative changes that will directly benefit employers, including:

- Reducing red tape by removing the requirement to register for small employers with remuneration less than \$10,000 per annum (the savings are recorded in WorkCover's red tape reduction plan)

- Encouraging skills development by excluding wages paid to apprentices and trainees from the calculation of the WorkCover levy
- Anticipated Scheme cost savings which, over time, will deliver lower levy rates and a fully funded scheme within 6 – 7 years.

2. Planning and Development Review

Key elements of the package of reforms announced by the State Government in June 2008 are:

- The introduction of a new Residential Code to speed planning approvals for major alterations and additions to existing homes and new dwellings which meet the Code
- Provision of faster approval processes for minor matters, with many removed from the approval system altogether
- Streamlining merit assessment processes

The package will be implemented in stages from 1 January 2009. The review report indicates the reforms could slash red tape for commercial developers by about \$49.6 million per annum.

Further measures to be implemented for large development projects will reduce the final timeframes for project delivery, while other measures will speed up re-zoning procedures.

3. The Business Efficiency Committee (BEC) of SafeWork SA

The State Government has established the BEC to identify opportunities for streamlining administrative processes associated with occupational health and safety regulation. Its initial focus is on Dangerous Substances licensing processes to identify areas for improvement but the Committee will also be assessing all new initiatives for any new regulatory burden on business.

Business SA, the State's peak employer body is represented on the BEC, which provides an avenue for businesses to bring any new concerns forward quickly for resolution. This will have continuing benefit in avoiding new compliance costs.

Appendix 4 - Terms of Reference

The purpose of the engagement was to assess the individual agency progress in, and quantification of delivery red tape reductions.

We undertook the following specific tasks:

1. Assessed progress reports prepared by the individual agencies in relation to whether:
 - (a) the methodologies and assumptions applied to calculate the estimated cost savings to business were appropriate and consistent across government
 - (b) the calculations based on the assumptions and methodologies were correct
 - (c) whether the agency had undertaken a risk assessment to ensure that streamlining of processes to generate savings did not result in unacceptable risk to the Government or the community
 - (d) for a sample of material savings chosen in conjunction with DTED, the claims made and underlying assumptions were supported by documentation.

Deloitte discussed issues with individual agencies where required.

2. Met with each agency individually to discuss their plans and explore additional avenues for reducing red tape. Any additional opportunities identified for further reform or red tape reduction were included in agency reports.
3. Assessed the whole-of-government scorecard and verified that the estimated cost savings to business accurately reflected the individual agency progress reports.

The table below shows a list of all agencies included in this review.

Ref	Full Name	Common Name
1	Department of Education and Children's Services	DECS
2	Department for Environment and Heritage	DEH
3	Department for Families and Communities	DFC
4	Department of Further Education, Employment, Science and Technology	DFEEST
5	Department of Health	DH
6	Department of Justice	Justice
7	Department of the Premier and Cabinet	DPC
8	Department of Primary Industries and Resources SA	PIRSA
9	Department of Trade and Economic Development	DTED
10	Department for Transport, Energy and Infrastructure	DTEI
11	Department of Treasury and Finance	DTF
12	Department of Water, Land and Biodiversity Conservation	DWLBC
13	Environment Protection Authority	EPA
14	Land Management Corporation	LMC
15	South Australia Water Corporation	SA Water
16	WorkCover Corporation	WorkCover

Appendix 5 - Statement of Responsibility

- This engagement was performed in accordance with our Project Brief dated 20 July 2007 and the terms and conditions of the ‘Agreement for Internal Audit Services’ dated 12 December 2005, with Australian Auditing Standard AUS 110, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and subject to the following limitations:
- Our procedures were designed to provide limited assurance as defined by AUS 110, which recognises the fact that absolute assurance is rarely attainable due to such factors as the use of judgment in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available to the auditor is persuasive rather than conclusive in nature.
- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management’s responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- This report has been prepared for distribution to DTED. We disclaim any assumption of responsibility for any reliance on this report to any other persons or users, or for any purpose other than that for which it was prepared.
- Suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.
- Deloitte Touche Tohmatsu is a Swiss Verein (association), and, as such, neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other’s acts or omissions. Each member firm is a separate and independent legal entity operating under the names “Deloitte,” “Deloitte & Touche,” “Deloitte Touche Tohmatsu,” or other, related names. The services described herein are provided by the member firms and not by the Deloitte Touche Tohmatsu Verein

APPENDIX 2

DETAILS OF SAVINGS INITIATIVES IDENTIFIED AND COSTED BY AGENCIES

Details of individual savings initiatives identified and costed by agencies are provided below. Total savings to business for all agencies is \$173.428 million per annum, as verified by Deloitte. This is a gross figure which has been offset by costs associated with implementation of new regulations (\$3.293 million) to give a net savings total of \$170.135 million.

1 AGENCY: Department for Environment and Heritage (DEH)

1.1 Minimise unnecessary referrals of development applications to the Coast Protection Board.

Ensure that coastal zones only include land containing sensitive coastal features and at-risk development.

Red Tape Savings \$4,725

1.2 Simplify the process of accessing information on how to proceed with coastal development applications (CDAs).

Development of a Coastal Planning Package to assist councils deal with coastal planning matters. Includes information on CDAs in checklist form. Delivered through seminars and information on the DEH website.

Red Tape Savings \$3,920

1.3 Simplify the process of accessing information about coastal sites.

Naturemaps' (part of the publicly accessible Atlas of SA) will be improved by adding new data layers to the site and improving site presentation.

Red Tape Savings \$7,840

1.4 Simplify the process of accessing information about heritage-listed places from the SA Heritage Register.

Make the Register accessible via the internet and extend the Register to cover local as well as State heritage places.

Red Tape Savings \$18,000

1.5 Simplify the process of accessing information about management plans for parks and reserves, until now only available in printed form.

Development of a website to provide greater information on the management planning program, each park and reserve under the NPW Act, with links to the management plan, and public submissions on the management plan.

Red Tape Savings \$2,450

1.6 Simplify the process of accessing information about Crown land and dedicated land.

Introduction of searchable electronic "titles" for Crown land and dedicated land.

Red Tape Savings \$24,500

1.7 Simplify the act of locating Crown land information on major government websites.

Develop a website to improve access to Crown Land information.

Red Tape Savings \$24,500

1.8 Encourage pre-lodgement discussion on the development of heritage places to ensure that correct advice is provided directly to applicants to reduce delays and reworking of proposals during the development assessment process.

Expand the DEH heritage advisory services to councils to ensure that professional advice is readily available for applicants and council planning staff alike.

Red Tape Savings \$367,500

APPENDIX 2

1 AGENCY: Department for Environment and Heritage (DEH)

- 1.9 Reduce double handling involved in entering into license agreements with commercial tour operators wishing to run tours in National Parks and Wildlife Reserves.

Conduct a review of the commercial tour operator licensing system. Application documents to be reviewed with the assistance of the Crown Solicitor.

Red Tape Savings \$7,000

- 1.10 Streamline the range of methods available to tour operators for the payment of park fees (entry/camping/tours).

Develop a database to capture activity data. Introduce trip return forms.

Red Tape Savings \$16,200

- 1.11 Streamline the process of transacting perpetual leases.

The Government is implementing a freeholding process for perpetual leases, based on the recommendations of a Select Committee.

Red Tape Savings \$325,000

- 1.12 Simplify regulated and cumbersome processes for dealing with Crown land.

The Government is drafting a new Crown Lands Management Act.

Red Tape Savings \$60,400

- 1.13 Provide clear assessment criteria for wildlife destruction permits and wildlife management information.

Develop policy, procedure and standards to streamline the process for applying for and issuing permits and new brochures, Web page and application forms.

Red Tape Savings \$24,500

- 1.14 Minimise species details required for the issue of permits to collect native seed and fruit.

Develop policy, procedure and standards to streamline the process for issuing the majority of seed and fruit collection permits.

Red Tape Savings \$12,250

- 1.15 Expand the range of payment options for invoices issued by the Department.

Implement web-based technologies to receive monies from the public.

Red Tape Savings \$36,750

TOTAL DEH SAVINGS INITIATIVES: \$935,535

2 AGENCY: Department for Families and Communities (DFC)

- 2.1 Maximise e-ordering.

Increase the use of electronic catalogues.

Red Tape Savings \$54,000

- 2.2 Advise supply community of forward procurement requirements.

Update six monthly DFC's forward procurement plan on internet.

Red Tape Savings \$47,000

- 2.3 Standardise procurement procedures and simplify procurement documentation.

Simplify tender documents and standardise contract templates.

Red Tape Savings \$34,000

- 2.4 Standardise procurement procedures and simplify procurement documentation.

Ensure electronic collection and lodgement of all public tenders.

Red Tape Savings \$24,000

APPENDIX 2

2.5 Eliminate the need for utility providers to process concession applications.

Introduce a single application for concession form and negate utility provider processing.

Red Tape Savings \$96,000

2.6 Enhance on line systems for community service organisations.

Allow organisations to apply for grants online.

Red Tape Savings \$46,000

2.7 Enhance on line systems for community service organisations.

Develop a grants portal containing information on grants.

Red Tape Savings \$8,000

2.8 Remove duplication for community service organisations through greater data sharing.

Record and report on all funding to community service organisations.

Red Tape Savings \$45,000

2.9 Reduce data demands for community service organisations.

Develop central reporting tools, increase the sharing of information and move to greater usage of standard reports.

Red Tape Savings \$41,000

2.10 Simplify funding and submission processes for community service organisations.

Develop standard templates, policies and procedures.

Red Tape Savings \$14,000

2.11 Simplify funding and submission processes for community service organisations.

Improve understanding of provider selection and allocation options across DFC.

Red Tape Savings \$5,000

2.12 Remove duplication in meeting quality and accreditation mechanisms.

Establish recognition between quality and accreditation systems and standard bodies.

Red Tape Savings \$11,000

2.13 Streamline Home and Community Care (HACC) business processes.

Implement new HACC funding allocation/submission processes.

Red Tape Savings \$55,000

2.14 Streamline Home and Community Care (HACC) business processes.

Shift to triennial rather than annual planning for the HACC program and implement new HACC funding allocation/submission processes.

Red Tape Savings \$26,000

2.15 Streamline monitoring of Office for the Ageing (OFTA) funded service providers.

Introduce risk management based performance monitoring framework.

Red Tape Savings \$26,000

2.16 Streamline Spectacles Scheme processes.

Implement electronic claims system with optometrists.

Red Tape Savings \$417,000

2.17 Maximise e-payment.

Increase the use of purchase cards as a payment mechanism.

Red Tape Savings \$120,000

2.18 Remove duplication in pre-qualified building and maintenance contractor processes.

Undertake an audit of all pre-qualified contractor registers and consolidate into one register.

Red Tape Savings \$51,000

APPENDIX 2

2 AGENCY: Department for Families and Communities (DFC)

2.19 Maximise e-ordering.

Online travel bookings.

Red Tape Savings \$4,000

TOTAL DFC SAVINGS INITIATIVES: \$1,124,000

3 AGENCY: Department for Transport, Energy and Infrastructure (DTEI)

3.1 Gazette Restricted Access Vehicle (RAV) routes.

Reduce the need for individual permits by gazetting route networks for RAVs i.e. B-doubles & Road Trains.

Red Tape Savings \$787,500

3.2 Electronic RAV route maps – Provide web accessible route maps in electronic form for use by RAV operators.

Replace hard copy maps with map files that can be downloaded from the Department's web site, that can be easily updated & distributed, & are of a scale that shows sufficient detail to be easily read by the user.

Red Tape Savings \$300,000

3.3 Vehicle Inspections – Explore options for car dealers to conduct Level 2, Tier 1 inspections. Improve government – industry communications and streamline processes.

Work with the industry and SAPOL to improve administration of Level 2 and 3 inspections, through the South Australia Motor Vehicle Theft Reduction Committee, to: explore and develop options for extending the approval arrangements for dealers to conduct Level 2, tier 1 identity inspections; and consider measures to improve communication with the industry and streamline the processes for Level 2, tier 1 and Level 3 roadworthy inspections conducted by DTEI.

Red Tape Savings \$808,518

3.4 Towing Roster – Simplify the forms and reduce the administrative requirements on tow truck operators who wish to be on the Accident Towing Roster Scheme.

Reduce compliance costs for renewing positions on the accident towing roster.

Red Tape Savings \$4,080

3.5 Property Development – Reduce time & costs for land development application approval processes.

Reduce processing time for development applications by: 1) Implement improved tracking processes & systems, along with increased resource levels through realignment of priorities to achieve 100% compliance to statutory response timeframes. 2) Review current referral criteria to reduce total number of mandatory and non-mandatory referrals sent to the Department by Councils.

Red Tape Savings \$1,233,844

3.6 Road Working Training – Simplify requirements for accreditation of SA road workers.

Reduce compliance costs for accreditation of road workers. Develop a smaller (2-3 hr) bridging training program which only covers traffic control standards which are unique to SA.

Red Tape Savings \$15,420

3.7 Public transport accreditation & compliance – Clarify & simplify processes for accreditation.

Streamline processes and reduce compliance costs by identifying & addressing issues that can be addressed administratively.

Red Tape Savings \$64,043

3.8 Internet presence – Redesign and consolidation of DTEI Internet sites.

Rationalise and improve design of departmental websites.

Red Tape Savings \$248,000

APPENDIX 2

3.9 Electrical product approvals – Reduce time & cost burden in applying for approvals for electrical products prior to their sale.

Reduce compliance costs related to electrical products approvals.

Red Tape Savings \$5,700

3.10 Annual review of electricity safety plans – Simplify requirements for plans needed to comply with regulations under the Electricity Act 1996.

Reduce and simplify plan requirements applying to the electricity industry by:

- 1) Review the guidelines for plan development to reduce unnecessary content that requires considerable updating, and
- 2) Review the SRMTMP Guidelines to reduce plan submission requirements from annual to bi-annual.

Red Tape Savings \$120,000

3.11 Online validation and notary service – Increase the variety of services that can be provided online.

Provide a single online validation, authentication & notary service across all state agencies. This can be achieved by using VANguard software. The Australian Government is developing the VANguard system for use throughout all tiers of government in Australia.

Red Tape Savings \$2,045,167

3.12 Whole-of-Government address change facility – Reduce the number of forms to be filled out by citizens when changing address, to a single one which will inform all relevant agencies.

A web service will be created which will allow all participating agencies to be notified of a citizen's change of address based on the results of a single online transaction. This web service will receive such updates from a single location, hosted by Service SA.

Red Tape Savings \$94,300

3.13 eProjects Panel – To streamline government ICT procurement projects and encourage SME's into the market.

Reduce time and costs incurred by industry on government ICT procurement by:

- 1) agreeing with industry a basic form of agreement;
- 2) establishing a liability capping regime; and
- 3) forming a panel for all ICT firms capable of meeting certain minimum criteria.

Red Tape Savings \$2,488,000

3.14 DTEI wide civil contractor panel.

Make better use of the existing DTEI prequalification system so that once a civil contractor business has been pre-qualified by one Division it is pre-qualified for use by others e.g. Building Management, Transport Services & the Facilities Management Service providers.

Red Tape Savings \$7,000

3.15 Building trades pre-qualifications – Rationalise the number of trade & professional disciplines in the DTEI building prequalification scheme.

Consult with the Construction Industry Forum to reduce the number of categories for businesses seeking pre-qualification to make it easier for trades & professional services to do business with government.

Red Tape Savings \$3,000

3.16 Contracts and Tenders – reduce the amount of information required from business.

Simplify contract conditions and reduce information requirements imposed on the building and construction industry. Simplify contract conditions for one-off/low value projects by using the minor works contract. Lift the competitive tendering threshold.

Red Tape Savings \$99,000

APPENDIX 2

3 AGENCY: Department for Transport, Energy and Infrastructure (DTEI)

3.17 Reduce the time taken to process land titling/ creation of new allotments & reduce the backlog of unprocessed titles.

Reduce the time taken to process land services.

Red Tape Savings \$15,956,899

3.18 Atlas program.

Upgrade software systems and improve processes for property transactions:

- 1) Electronic Plan Lodgement Project;
- 2) Electronic Lodgement & Registration Project;
- 3) National Electronic Conveyancing System initiative.

Red Tape Savings \$600,000

TOTAL DTEI SAVINGS INITIATIVES: \$24,880,471

4 AGENCY: Department of Education and Children's Services (DECS)

4.1 Identify and implement opportunities to streamline procurement processes. Reduce tendering costs for prospective suppliers.

Increase tender threshold from \$50,000 to \$110,000.

Red Tape Savings \$57,820

4.2 Identify and implement opportunities to streamline procurement processes. Reduce tendering costs for prospective suppliers.

Modify standard tender templates for repeat purchases.

Red Tape Savings \$219,303

4.3 Reducing tendering costs for prospective suppliers.

Increase local purchase order and written quotation threshold from \$2,000 to \$5,500.

Red Tape Savings \$17,400,000

4.4 Reducing tendering costs for prospective suppliers.

Increase local purchase order and written quotation threshold further from \$5,500 to \$11,000 (effective 1 July 2008).

Red Tape Savings \$5,900,000

4.5 Identify and implement opportunities to streamline procurement processes. Reduce tendering costs for prospective suppliers.

Introduce simplified conditions of contracts.

Red Tape Savings \$35,282

4.6 Develop an electronic taxi payment approval process linked to school electronic administration systems.

Design and develop new authentication program. Develop and implement training program.

Red Tape Savings \$4,680

4.7 Reduce number of audit inspections experienced by childcare centres.

Implement a risk assessment approach to prioritise centre audits.

Red Tape Savings \$53,000

4.8 Redraft legislation to enable a 3 year licensing timeframe rather than 1 year timeframe for Family Day Care Licences.

Licensing period "not exceeding 3 years established".

Red Tape Savings \$67,200

4.9 Streamline information provision for prospective childcare centre licensees.

Develop plain English fact sheets for prospective licensees.

Red Tape Savings \$7,000

APPENDIX 2

- 4.10 Improve School Card Application and approval process to provide an improved audit trail; reduce administration time and reduce errors due to duplication and manual handling.

Develop automated student identification and allocation system.

Red Tape Savings \$70,000

TOTAL DECS SAVINGS INITIATIVES: \$23,814,285

5 AGENCY: Department of Further Education, Employment, Science and Technology (DFEEST)

- 5.1 Minimise the Cost of Transactions and Data Collection Requirements.

Implement the Apprenticeship and Traineeship Information System (ATIS).

Red Tape Savings \$17,200

- 5.2 Streamline the Recognition of Skills of Potential and Existing Workers.

Implementation of the Trade and Recognition Support Service.

Red Tape Savings \$2,599,200

- 5.3 Increased Accessibility of TAFE Training Products to Private Training Providers.

On-line management of TAFE training products.

Red Tape Savings \$71,000

- 5.4 Reduce Cost of Providing Goods and Services to DFEEST through Procurement Process.

Increased of purchase cards and review and reform of bid documents.

Red Tape Savings \$62,500

TOTAL DFEEST SAVINGS INITIATIVES: \$2,749,900

6 AGENCY: Department of Health (DH)

- 6.1 Allow hospital pharmacies to dispense from faxed National Inpatient Medication Chart discharge prescriptions without sighting the original.

Amend regulation 25(4) of the Controlled Substances Act.

Red Tape Savings \$35,000

- 6.2 Remove the requirement for specific specialists (haematologists and oncologists) to obtain an authority from the Minister to prescribe retinoid and thalidomide for their registered use.

Amend regulation 29(3)(a), 29(3)(b), 29(4), 29(7)(b) & Schedule K of the Controlled Substances Act.

Red Tape Savings \$2,800

- 6.3 Remove the requirement for renewal of instructions for administration of drugs of dependence in a health service (primarily residential aged care) every 30 days, provided there is a mechanism for review.

Amend regulation 31I(c)(ii) of the Controlled Substances Act.

Red Tape Savings \$30,150

- 6.4 Remove the requirement to apply for an authority when hydromorphone is used in a palliative care patient.

Amend regulation 31L(1)(b)(i) of the Controlled Substances Act.

Red Tape Savings \$3,600

- 6.5 Reduce timeframe involved in the development, review and processing of ICT services procurement and contract management processes by 50%.

- 1) ICT services procurement and contract management processes are currently being reviewing & documented;
- 2) These will be business process re-engineered to reduce current inefficiencies.

Red Tape Savings \$70,000

APPENDIX 2

6 AGENCY: Department of Health (DH)

6.6 Reduce tendering costs for prospective suppliers.

- 1) Increase Tender threshold from \$50,000 to \$100,000;
- 2) Modify standard tender templates for repeat purchases;
- 3) Increase Local Purchase Order and written quotation threshold from \$2,000 to \$5,500.

Red Tape Savings \$6,725,794

6.7 Remove administrative and other impediments to business contracting with DH for services.

Develop simplified Agreement for Non Government Organisation (NGO) grant funding from \$5,000 - \$30,000 and consistent across DFC & DH (already in place for NGO grant funding \$1 - \$5,000 – July 06.

Red Tape Savings \$30,000

6.8 Reduce administrative burden on NGOs in contracting with DH.

Implementation of Master Agreements with NGOs.

Red Tape Savings \$88,000

6.9 Establish the facility in DH to allow on-line applications and payment for:

- 1) Retail Tobacco Merchant's Licence applications and
- 2) Wastewater products or systems approvals and applications.

Investigate options to streamline payment and application process. First phase: enabling credit card transactions. Second phase: consolidating payments and application process through Bizgate (the SA electronic payment gateway) for DH to enable online licence applications and payment.

Red Tape Savings \$92,400

6.10 Extend licence terms to enable options of 1 or 3 years for 1) Retail Tobacco Merchant's Licence and 2) Controlled Substances Act licences and applications.

- 1) Change S8 of Tobacco Products Regulation Act to allow term extension.
- 2) Review all licences under S.55 of the Controlled Substances Act to consider extension of term with an option of 1 or 3 years.

Red Tape Savings \$20,775

6.11 Rationalise processes for licences administered under the Controlled Substances Act.

Remove licensing requirements for S5 & S6 (substances with low and moderate potential for causing harm), Controlled Substances Act Regulation 12, 13 and Schedule D, regulating licensing of manufacturers and wholesalers.

Red Tape Savings \$13,000

6.12 Recognise therapeutic goods packaging and labelling exemptions given by interstate authorities so that sponsors only need to seek exemption from one jurisdiction.

Amend regulation 18(2) and 19(3) of the Controlled Substances Act.

Red Tape Savings \$366

TOTAL DH SAVINGS INITIATIVES: \$7,111,885

7 AGENCY: Department of Primary Industries and Resources SA (PIRSA)

7.1 Agriculture, Food and Wine - Amend the *Livestock Act* so the requirement for pig brand registration is reduced to bi-annual.

Amend requirements for pig brand registration.

Red Tape Savings \$2,125

APPENDIX 2

- 7.2 Agriculture, Food and Wine – pre-populate registration renewals.**
Pre-populated information fields for Livestock Property Registration Application Renewal Forms.
Red Tape Savings \$59,500
- 7.3 Transport auditing.**
Reduce frequency of audit of Meat and Cold Storage Transport from 2 operations p.a. to 1.
Red Tape Savings \$12,800
- 7.4 Kangaroo field processing.**
Streamlining payments process – pay for audit at the time of registration therefore 2 payments reduce to 1.
Red Tape Savings \$1,575
- 7.5 Wine Labelling.**
Streamline wine labelling requirements (note: initiative jointly implemented with Department of Justice and savings shared equally i.e. total savings in excess of \$14m).
Red Tape Savings \$7,183,700
- 7.6 Aquaculture – Improve certainty and reduce time and cost for applicant.**
Development of Aquaculture Zones.
Red Tape Savings \$242,000
- 7.7 Aquaculture Zones.**
Give Aquaculture Zones Category 1 development approval under the Development Act.
Red Tape Savings \$274,800
- 7.8 Case Management.**
Case management is the provision of a whole-of-government coordination service, focused on facilitating the timely delivery of major private sector projects. This is achieved through leadership, coordination and innovative solutions to address project issues, approvals/other development requirements and brokering access to government programs and services.
Red Tape Savings \$15,000,000
- 7.9 Implement a new licensing system to streamline the process for issuing and maintaining fishing licences.**
Notification to change a master and/or vessel (e-licensing) and transferral of fishing quotas (e-quota).
Red Tape Savings \$1,101
- 7.10 Transferral of abalone quotas.**
Fisheries – Review and modify quota arrangements in the Abalone Fisher to ensure the fisheries management arrangements conform to national competition policy.
Red Tape Savings \$55
- 7.11 Implement electronic scales and video surveillance in the Southern Zone Lobster Fishery to improve the effectiveness and integrity of fisheries compliance.**
Weighing catch and lodging data.
Red Tape Savings \$40,153
- 7.12 Reduce number of Fisheries Management Committees.**
Removal of seven Fishery Management Committees – these were funded by the commercial industry sector through licence fees and results in a saving to industry.
Red Tape Savings \$405,000
- 7.13 Fisheries – Review of Fisheries Legislation.**
Implementation of the new *Fisheries Management Act 2007* and amendment of associated regulations.
Red Tape Savings \$100,000

APPENDIX 2

7 AGENCY: Department of Primary Industries and Resources SA (PIRSA)

7.14 Fisheries – Cost Savings.

Downsizing of Toyota 4WD fleet and replacing with Nissans. Savings will be realised through reduction in cost recovery through licence fees.

Red Tape Savings \$15,000

7.15 Fisheries – Cost Efficiencies.

Implementation of ISO 9001 QMS. Savings will be realised through efficiencies passed onto the industry being reflected in cost recovery through licence fees.

Red Tape Savings \$25,000

7.16 Minerals and Energy Resources – Upgrade SARIG and the websites to ensure the geoserver remains one of the world's best in online data delivery.

Make online data enquiries and making licence applications via SARIG (SA Resources Information Geoserver).

Red Tape Savings \$15,900

7.17 Minerals and Energy Resources – Upgrade of the tenement management system to improve the capacity management of all mining and exploration data.

Lodgement of tenement production returns.

Red Tape Savings \$12,096

7.18 Minerals and Energy Resources – One Window to Government.

One window into Government for mineral industry approvals.

Red Tape Savings \$100,000

7.19 Minerals and Energy Resources – Review of *Petroleum Act 2000*.

Review of *Petroleum Act 2001*.

Red Tape Savings \$198,000

7.20 Minerals and Energy Resources – Review of *Mining Act 1971* and *Mines and Works Inspection Act 1937*.

Minerals and Energy Resources – Review of *Mining Act 1971* and *Mines and Works Inspection Act 1938*.

Red Tape Savings \$63,151

7.21 Minerals and Energy Resources – One Window to Government.

Approvals for co-regulation.

Red Tape Savings \$24,000

7.22 Minerals and Energy Resources – Data Management.

Provision of critical data in digital format.

Red Tape Savings \$12,000

7.23 Minerals and Energy Resources – Report and Data Submission.

Lodgement of data by companies.

Red Tape Savings \$36,000

7.24 Minerals and Energy Resources – Dangerous Substances.

PIRSA has avoided duplication of licensing by ensuring facilities administered under the *Petroleum Act 2000* were not included in this legislation.

Red Tape Savings \$200,000

7.25 Minerals and Energy Resources – Indigenous Land Use Agreements (ILUAs).

Land access arrangements with Native Title Claimants required before an explorer can be granted a licence.

Red Tape Savings \$100,000

7.26 Electronic Development Application Lodgement & Assessment System (EDALA).

Electronic lodgement of land division applications.

Red Tape Savings \$798,000

APPENDIX 2

7.27 Planning SA – EDALA (Land Division).

Electronic referral, response, decision and process for land division applications.

Red Tape Savings \$612,785

7.28 Planning SA – EDALA (Land Division).

Electronic Development Assessment Commission final certification.

Red Tape Savings \$1,928,767

7.29 Planning SA – EDALA (Land Division).

Tracking and monitoring for all users (one system and one set of data).

Red Tape Savings \$410,400

7.30 Planning SA – Better Development Plans (BDP) – Implementation through translation of Dev Plans using the Policy Library.

Standardisation of development plan policies and structure providing more consistency between development plans.

Red Tape Savings \$42,000

7.31 Planning SA – Heritage Systems.

Provides information about items of European heritage, includes a GIS based layer.

Red Tape Savings \$96,000

7.32 Planning SA – Bushfire Portal.

Provides advice as to where and what bushfire prone policy applies.

Red Tape Savings \$192,000

7.33 Planning SA – SA Atlas.

The public, applicants and planning authorities have immediate access to over 100 map layers.

Red Tape Savings \$912,000

7.34 Planning SA – Retail Database.

Provides information for developers and authorities around retail industry.

Red Tape Savings \$718,200

7.35 Planning SA – Industrial Database.

Provides plans for industrial decision makers about industrial areas.

Red Tape Savings \$478,800

7.36 Planning SA – Population Projections Enquiry System.

Provide information on the current and likely future population of an area.

Red Tape Savings \$547,200

7.37 Planning SA – Journey to Work Systems and Reports.

Provides information about travel characteristics.

Red Tape Savings \$238,800

7.38 Planning SA – Major Development Documents e-templates.

Faster turn around time for major developments.

Red Tape Savings \$1,266,849

7.39 Planning SA – Major Development documents on Web.

All major development documents are now published on the Planning SA website.

Red Tape Savings \$94,800

7.40 Planning SA – Issues Paper Deleted.

DAC now issues guidelines without a consultation process.

Red Tape Savings \$1,900,274

APPENDIX 2

7 AGENCY: Department of Primary Industries and Resources SA (PIRSA)

7.41 Planning SA – Integrated Development and Mining Acts for Major Developments.

Enables projects with mining and development to be assessed in a single process.

Red Tape Savings \$228,033

7.42 Planning SA – Accreditation of SA Major Development process by Commonwealth.

Saves the developer having to go through two assessment processes.

Red Tape Savings \$253,370

TOTAL PIRSA SAVINGS INITIATIVES: \$34,842,234

8 AGENCY: Department of the Premier and Cabinet (DPC)

8.1 Update regulations under the *South Australian Occupational Health Safety and Welfare Act 1986* to ensure consistency with national and international best practice.

Safework SA is reviewing the OHS&W regulations.

Red Tape Savings \$3,185,000

8.2 Help small business identify what is needed to make their workplaces safer.

Develop and implement a Small Business Safety Pack and Small Business Advisory Program.

Red Tape Savings \$689,288

8.3 Update and republish User Friendly version of the OHSW Regulations.

Safework SA has revised and updated the current publication.

Red Tape Savings \$579,700

8.4 Reforms to process to obtain licences to sell Petroleum Products.

Amendments to *Petroleum Products Regulation Act 1995* – extend licence terms from 1 year to 2 years.

Red Tape Savings \$111,000

8.5 Improve procurement processes.

Increased use of purchase cards.

Red Tape Savings \$301,256

TOTAL DPC SAVINGS INITIATIVES: \$4,866,244

9 AGENCY: Department of Trade and Economic Development (DTED)

9.1 Simplified procurement process.

Simplified procurement guidelines – New guidelines now require only a single quote for purchases up to \$25,000, three quotes for purchases between \$25,000 and \$100,000, and over \$100,000 a comprehensive tendering and contractual process is to be undertake.

Red Tape Savings \$15,222

9.2 Simplified procurement process.

Purchase cards will be used for low value purchases up to \$2000.

Red Tape Savings \$19,272

9.3 Simplified procurement process.

Payment of accounts on time.

Red Tape Savings \$2,756

APPENDIX 2

9.4 Simplified procurement process.

Panel contract for consultants to provide the following services:

- 1) Financial analysis;
- 2) Economic impact studies;
- 3) Economic modelling;
- 4) Accounting advice;
- 5) Due diligence;
- 6) Master planning;
- 7) Economic development advice.

Red Tape Savings \$66,375

9.5 Simplified procurement process.

Panel arrangements will be used for many areas of procurement.

Red Tape Savings \$36,740

9.6 Assist more small businesses with tendering to Government.

DTED has developed new tendering workshop focused on assisting businesses in supplying to state government, which will be offered to businesses in the regional and metropolitan areas from February 2007.

Red Tape Savings \$4,050

9.7 Reduce burden for DTED workshop providers.

DTED has negotiated a waiver for the insurance requirements for providers of DTED workshops.

Red Tape Savings \$55,000

9.8 Simplify the process for businesses dealing with Government on major projects.

DTED Case Management – 1) Commercial Division Case Management is the provision of a whole-of-government coordination service, focused on facilitating the timely delivery of major private sector projects. This is achieved through leadership, coordination.

Red Tape Savings \$5,648,400

9.9 Make changes to permits and licence information more accessible.

The Business Licence Information service has been enhanced by including a "What's New" section which provides a list of changes to licence and permit information on a quarterly basis.

Red Tape Savings \$61,500

9.10 Ensure all forms and documents are written in plain English.

DTED has endorsed a Red Tape Review Panel to review all current forms and documents for plain English. Two Small Business Development Council members sit on the panel.

Red Tape Savings \$27,333

9.11 Simplify Market Access Program (MAP).

DTED has undertaken a comprehensive review of MAP and in response to the recommendations from this review changes have been made to improve and simplify the application process and to generally make it easier for businesses to apply for funding.

Red Tape Savings \$55,264

9.12 Simplify the process for booking into DTED workshops.

DTED allows businesses to register online for workshops.

Red Tape Savings \$5,716

9.13 Review of Regional Development Infrastructure Fund.

Review the current processes and forms for the RDIF, to investigate possible ways to improve and simplify the application process.

Red Tape Savings \$108,000

APPENDIX 2

9 AGENCY: Department of Trade and Economic Development (DTED)

9.14 Skilled and Business Migration.

Improve the time it takes to process sponsorship applications. An evaluation of sponsorship processes to identify process improvements has commenced.

Red Tape Savings \$1,070,029

9.15 DTED website.

Make business information more accessible to businesses and provide information online.

Red Tape Savings \$37,351

9.16 Cafés and restaurant guide.

'Starting a restaurant/café/takeaway – a step-by-step guide' developed and released.

Red Tape Savings \$147,600

9.17 Simplification of the grants application process.

Revision of the processes involved in applying for Centre for Innovation grants in response to industry concerns.

Red Tape Savings \$11,800

9.18 Availability of Services in Regions.

Distribute SYOB DVDs available to regions.

Red Tape Savings \$30,750

TOTAL DTED SAVINGS INITIATIVES: \$7,403,158

10 AGENCY: Department of Treasury and Finance (DTF)

10.1 Remove redundant provisions and regulations.

Undertake a review of legislation and regulations applying to stamp duty, land tax, pay-roll tax and other State taxes to identify and remove redundant provisions and regulations.

Red Tape Savings \$26,100,000

10.2 Remove the requirement for stamp duty exempt mortgages to be stamped as 'exempt'.

Undertake a review of legislative provisions, customer requirements and existing processes.

Red Tape Savings \$138,801

10.3 Allow stamp duty opinion assessments to be stamped on RevNet.

Undertake a review of legislative provisions, customer requirements and existing processes.

Red Tape Savings \$177,396

10.4 Pay-roll tax monthly return payments by EFT.

Reduced mail and cheque costs offset by EFT changes. Savings in time will be experienced through processing payments electronically rather than by cheque.

Red Tape Savings \$432,768

10.5 Increased RevNet usage for Land Tax and ESL Certificate processing.

Identify clients who have requested more than a specified number of manual certificate applications, and encourage the increased use of the current internet (RevNet) facility for the request, receipt, update and payment of Land Tax and ESL certificates.

Red Tape Savings \$362,586

10.6 Reduction in telephone calls by improving information accessibility.

Review and update information circulated and available to Taxpayers.

Red Tape Savings \$272,160

TOTAL DTF SAVINGS INITIATIVES: \$27,483,711

APPENDIX 2

11 AGENCY: Department of Water, Land and Biodiversity Conservation (DWLBC)

11.1 Simplifying/rationalising regulation.

Review of Native Vegetation Act 1991. Clearer link to other planning instruments. Increase self approvals through regulation & exemptions. Develop process to have internal case managers for major projects and work in parallel with development approval.

Red Tape Savings \$5,891,773

11.2 Improving information accessibility.

Making government information more accessible – Native Vegetation.

Red Tape Savings \$30,814

11.3 Consolidating services.

Better Integration of Systems and Review of Business Forms.

Red Tape Savings \$3,682

11.4 Improving processes for procurement and delegation. Also to include implementation of E-Purchase for requestions and contracts.

Better Tendering Process.

Red Tape Savings \$3,731

TOTAL DWLBC SAVINGS INITIATIVES: \$5,930,000

12 AGENCY: Environment and Protection Authority (EPA)

12.1 Implement default long term licences.

Implement a default for all licences to have a term of five years.

Red Tape Savings \$20,000

12.2 Reform of regulatory monitoring and testing by businesses.

Critically review environmental monitoring requirements for licensees to ensure requirements are commensurate with environmental risks.

Red Tape Savings \$330,000

12.3 Restructuring of licence fees.

Incorporate into licence fees the 'user' and 'polluter pays' principles and streamline reporting paperwork.

Red Tape Savings \$60,000

12.4 Remove the requirement for lower risk activities to be referred to the EPA.

Reduction in referrals for certain developments that are low-risk.

Red Tape Savings \$3,000

12.5 Implement a structured compliance and enforcement strategy for lower risk licensed sites.

Industry Compliance Auditing System.

Red Tape Savings \$5,000

12.6 Improved performance in response times to Development Assessment referrals under the provisions of the *Development Act 1993*.

Structured review of Development Assessment referrals process.

Red Tape Savings \$1,600,000

TOTAL EPA SAVINGS INITIATIVES: \$2,018,000

APPENDIX 2

13 AGENCY: Department of Justice

13.1 Justice Integrated Business Solutions (JIBS) initiatives.

To reduce the time, effort and cost for business by providing an online facility for registration of a business name and person approval applications, and to provide a platform with the capability and capacity for future implementation of online agency transactions.

Red Tape Savings \$330,000

13.2 Targeted Review of *Liquor Licensing Act 1997* (Review of Producer's Licence).

Review the Producer's Licence with a view to decreasing red tape by ensuring that current licence conditions are satisfying policy objectives and the needs of licensees and consumers.

Red Tape Savings \$4,162,100

13.3 Certificate of approval – amend consent requirements.

To amend sections 59 and 62 of the *Liquor Licensing Act 1997* to streamline and improve the process of applying for a 'certificate of approval' for proposed licensed premises.

Red Tape Savings \$30,000

13.4 Cafés and Restaurants Industry Red Tape

Implement appropriate actions to improve processes, information and reduce red tape including a review of administrative processes and requirements.

Red Tape Savings \$393,000

13.5 Amend Regulations for Wine Labelling.

Streamline wine labelling requirements (note: initiative jointly implemented with Department of Primary Industries and Resources SA and savings shared equally i.e. total savings in excess of \$14m).

Red Tape Savings \$7,183,700

13.6 Reinstatement of Licences.

To save time, costs and information requirements by enabling tradespersons who fail to renew their licence within a specified period to retain their existing licence number.

Red Tape Savings \$428,000

13.7 Security Agent Licence – application process.

To ensure licence processes and requirements reflect the relative risk associated with the type of work to be undertaken.

Red Tape Savings \$222,500

13.8 Extend Assisted Application Process (AAP).

To reduce time, cost and complexity for business applying for these applications.

Red Tape Savings \$2,580,000

13.9 Security & Investigation Agents Act – regulations.

Expand current exemptions of security agents and reduce fees for investigation agents.

Red Tape Savings \$76,000

13.10 Increase gross receipts threshold for Prescribed Associations.

Reduce audit and accounting obligations by increasing gross receipts threshold for prescribed associations under the *Associations Incorporations Act*.

Red Tape Savings \$51,000

13.11 Security Agent concurrent training and licensing.

To start the assessment process for security and investigations licence at the same time they begin training for their SIA qualification.

Red Tape Savings \$1,640,000

APPENDIX 2

13.12 Increase Procurement Thresholds.

To reduce the time, effort and cost involved for business applying for Justice tenders by increasing the threshold up to which only three quotes are required.

Red Tape Savings \$6,781,000

TOTAL JUSTICE SAVINGS INITIATIVES: \$23,877,300

14 AGENCY: Land Management Corporation (LMC)

14.1 Establish Consultant Panels to reduce complexity and cost of awarding smaller consultancy contracts.

Review and amend LMC procurement framework.

Red Tape Savings \$13,006

14.2 Electronic tendering.

Assess requirements with SA Tenders and undertake system training.

Red Tape Savings \$24,276

14.3 Increased procurement thresholds.

Assess improvements around increased procurement thresholds and obtain management and Board approval of the revised procurement framework.

Red Tape Savings \$60,858

14.4 Standard contracting.

Standard contracts for all tenders.

Red Tape Savings \$120,696

TOTAL LMC SAVINGS INITIATIVES: \$218,836

15 AGENCY: SA Water Corporation

15.1 Reduce costs of making application for housing connections.

Introduction of electronic application for housing development.

Red Tape Savings \$42,457

15.2 To reduce compliance costs and streamline processes in paying rates.

Provide an electronic bill presentment method for business.

Red Tape Savings \$81,000

15.3 To reduce compliance costs and streamline processes in paying accounts.

Provide an electronic invoice approval system for business customers.

Red Tape Savings \$583,672

15.4 To reduce compliance costs of accessing data of SA Water's infrastructure.

Provide electronic access for business customers to GIS.

Red Tape Savings \$81,888

TOTAL SA WATER SAVINGS INITIATIVES: \$789,017

16 AGENCY: WorkCover Corporation

16.1 Eliminate the requirement for 13,000 employers to register and pay a WorkCover levy (unless they have a claim).

Increase threshold for the requirement for an employer to register with WorkCover.

Red Tape Savings \$300,532

16.2 Enable online reconciliations.

Red Tape Savings \$15,435

16.3 Levy Payment in advance.

This would enable employers to pay their levy on an estimate of wages and then reconcile any difference against their actual wages annually, rather than monthly or quarterly.

Red Tape Savings \$5,067,878

TOTAL WORKCOVER SAVINGS INITIATIVES: \$5,383,845

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